

would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9935. By Mr. GIBSON: Petition of the Mount Aeolus Grange, No. 432, East Dorset, Vt., opposing the importation of foreign meat into the United States; to the Committee on Ways and Means.

9936. By Mr. HAINES: Petition of Trinity Evangelical Lutheran Sunday School, of Fort Loudon, Pa., protesting against repeal of the eighteenth amendment or the Volstead Act; to the Committee on the Judiciary.

9937. By Mr. HARLAN: Petition of C. A. Bosch, 9 South Ludlow Street, Dayton, Ohio, and 136 other residents of the city of Dayton, protesting against the 10 per cent discriminatory and confiscatory tax on toilet goods and cosmetics; to the Committee on Ways and Means.

9938. By Mr. HOOPER: Petition of residents of third district of Michigan, urging vote for stop-alien representation amendment to the Constitution; to the Committee on Immigration and Naturalization.

9939. By Mr. KNIFFIN: Petition of A. W. Winegarden, superintendent of the Tedrow Christian Bible School, protesting against any legislative proposal intended to nullify, weaken, or repeal the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

9940. By Mr. LAMBERTSON: Petition of the East Topeka Woman's Christian Temperance Union, signed by the president, Mrs. J. A. Alexander, of Topeka, and also the secretary, Mrs. Ida M. Duesler, of Topeka, Kans., for the improvement of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

9941. Also, petition of the president of the Woman's Christian Temperance Union of Washington, Kans., Mrs. Myrtie Bonesteel; also its secretary, Mrs. Estella Hatter, for the improvement of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

9942. By Mr. LINDSAY: Petition of William R. Warner & Co., manufacturing pharmacutists, New York City, urging support of Senate bill 5149, prohibiting the counterfeiting of drugs, etc.; to the Committee on the Judiciary.

9943. Also, petition of the New York State Horticultural Society, at its annual meeting at Rochester, opposing the farm allotment bill; to the Committee on Agriculture.

9944. By Mr. MILLARD: Petition signed by members of the Woman's Christian Temperance Union of New Rochelle, N. Y., protesting against the return of beer and the repeal of the eighteenth amendment, presented by request; to the Committee on the Judiciary.

9945. Also, resolution adopted at the annual meeting of the New York State Horticultural Society protesting against the so-called farm allotment bill; to the Committee on Agriculture.

9946. Also, resolution adopted by the members of the executive committee of the men's Bible class of the Presbyterian Church of White Plains, N. Y., urging the passage of House bills 8549 and 5659; to the Committee on the Judiciary.

9947. By Mr. RUDD: Petition of the New York State Horticultural Society, opposing the enactment of the farm allotment bill; to the Committee on Agriculture.

9948. Also, petition of William R. Warner & Co. (Inc.), New York City, favoring the passage of the Copeland bill (S. 5149), to prohibit the counterfeiting of drugs, etc.; to the Committee on the Judiciary.

9949. By Mr. SHREVE: Petition of residents of Harbor Creek and North East, Erie County, Pa., for passage of the stop-alien representation amendment to the Constitution of the United States; also petition of Mrs. C. P. McDannell, president Woman's Christian Temperance Union of Cambridge Springs, Pa., urging passage of the Sparks-Capper stop-alien representation amendment to the Constitution of the United States; to the Committee on the Judiciary.

9950. Also, petition by the Woman's Christian Temperance Union of Corry, Pa., May E. Blair, secretary, urging the passage of the Sabbath observance law; to the Committee on the Judiciary.

9951. By Mr. STRONG of Pennsylvania: Petition of citizens of Freeport, Pa., and vicinity, in favor of the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

9952. By Mr. THOMASON: Petition of American Angora Goat Breeders Association recommending enactment of legislation to effect a refinancing of all first-mortgage amortization loans now outstanding through the joint-stock land banks and Federal land banks; to the Committee on Banking and Currency.

## SENATE

FRIDAY, JANUARY 27, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Keyes	Sheppard
Austin	Davis	King	Shipstead
Bailey	Dickinson	La Follette	Shortridge
Bankhead	Dill	Lewis	Smith
Barbour	Fess	Logan	Smoot
Barkley	Fletcher	McGill	Steiwer
Bingham	Frazier	McKellar	Stephens
Black	George	McNary	Swanson
Blaine	Glass	Metcalf	Thomas, Idaho
Borah	Glenn	Moses	Thomas, Okla.
Bratton	Goldsborough	Neely	Townsend
Brookhart	Gore	Norbeck	Trammell
Bulkley	Grammer	Norris	Tydings
Bulow	Hale	Nye	Vandenberg
Byrnes	Harrison	Oddie	Wagner
Capper	Hastings	Patterson	Walcott
Caraway	Hatfield	Pittman	Walsh, Mass.
Carey	Hawes	Reed	Walsh, Mont.
Connally	Hayden	Reynolds	Watson
Coolidge	Howell	Robinson, Ark.	Wheeler
Copeland	Hull	Robinson, Ind.	White
Costigan	Johnson	Russell	
Couzens	Kean	Schall	
Cutting	Kendrick	Schuyler	

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present. The Senator from South Carolina [Mr. BYRNES] has the floor.

Several Senators addressed the Chair.

Mr. BYRNES. I yield to Senators for the transaction of routine business.

### SENATOR FROM INDIANA

Mr. WATSON. Mr. President, I present the credentials of Hon. FREDERICK VAN NUYS, the man who beat me for the Senate out in Indiana and who will be my successor in the United States Senate. I ask that the credentials be read.

The credentials were read and ordered to be placed on file, as follows:

### THE STATE OF INDIANA, EXECUTIVE DEPARTMENT.

To all to whom these presents shall come, greeting:

Whereas it has been certified to me by the proper authority that at a general election held on the first Tuesday after the first Monday in November, 1932, the same being the 8th day of said month, FREDERICK VAN NUYS was duly elected to the office of United States Senator from the State of Indiana.

Therefore know ye that in the name and by the authority of the State aforesaid I do hereby certify that the said FREDERICK VAN NUYS was duly elected at said general election a United States Senator in the Congress of the United States from the State of Indiana for the term of six years commencing on the 4th day of March, 1933.

In witness whereof I have hereunto set my hand and caused to be affixed the seal of the State at the city of Indianapolis, this 27th day of December, A. D. 1932, the one hundred and sixteenth year of the State and of the independence of the United States the one hundred and fifty-sixth.

By the governor:

HARRY G. LESLIE, Governor.

FRANK B. MAYER, Jr.,  
Secretary of State.

### PETITIONS AND MEMORIALS

Mr. FESS presented a memorial of sundry citizens of Delaware, Ohio, remonstrating against the repeal of the eight-

eenth amendment to the Constitution or the repeal or modification of the national prohibition law, which was ordered to lie on the table.

Mr. GRAMMER presented a resolution adopted by Branch No. 18, Fleet Reserve Association, of Seattle, Wash., opposing any reduction in the pay of enlisted men of the Navy, which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of the State of Washington, praying for the passage of the bill (H. R. 13790) to provide revenue, to provide employment for American labor, and to encourage the industries and agriculture of the United States by compensating for depreciation in foreign currencies, which was referred to the Committee on Finance.

He also presented a memorial of members of the Woman's Christian Temperance Union of Bellingham, Wash., remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a resolution adopted by the military committee of the Chamber of Commerce of Hutchinson, Kans., protesting against reduction in the appropriation for support of the National Guard, which was referred to the Committee on Appropriations.

He also presented a memorial of sundry citizens of Coffeyville, Kans., remonstrating against reduction in the appropriation for support of the National Guard, which was referred to the Committee on Appropriations.

He also presented a memorial of sundry citizens of Kansas City, Kans., remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the national prohibition law, which was ordered to lie on the table.

He also presented resolutions adopted by an assembly of 200 persons in the Methodist Episcopal Church at Ransom, a public meeting at Ionia, and at a union public service sponsored by the Woman's Christian Temperance Union at Burr Oak, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

He also presented resolutions adopted by the Indianola Farm Bureau, of Augusta; the Ladies' Aid Society, of Redfield; and local chapters of the Woman's Christian Temperance Union of Bucyrus, Burr Oak, Canton, Delphos, Fort Scott, Great Bend, Haviland, Kansas City, Lost Springs, Lyndon, Phillipsburg, Reading, Redfield, Topeka, and Washington, all in the State of Kansas, favoring the passage of legislation to regulate and supervise the motion-picture industry, which were ordered to lie on the table.

Mr. COPELAND presented a memorial of members of the Woman's Christian Temperance Union of New Rochelle, N. Y., remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the national prohibition law, which was ordered to lie on the table.

He also presented a resolution adopted by the executive committee, men's Bible class of the Presbyterian Church of White Plains, N. Y., favoring the passage of the so-called Dies bill, being the bill (H. R. 12044) for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

He also presented a resolution adopted by the Merchant Tailors' Society of the City of New York, New York, N. Y., relative to the alleged failure of Congress to pass constructive legislation helpful to business and aiding in restoring prosperity, and protesting against delay in the balancing of the Budget, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Rochester, N. Y., remonstrating against further cuts in appropriations for the maintenance of the Marine Corps, which was referred to the Committee on Appropriations.

Mr. SHIPSTEAD presented a memorial of sundry citizens of Wadena County, Minn., remonstrating against the pas-

sage of legislation to repeal or modify the national prohibition law, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Lake Benton and Polk County, in the State of Minnesota, praying for the passage of legislation known as the Frazier farm relief bill, which were referred to the Committee on Agriculture and Forestry.

He also presented petitions of sundry citizens of Duluth, Minn., praying for the passage of legislation to remonetize silver, which were referred to the Committee on Finance.

He also presented a resolution adopted by farmers of the Blue Earth County Holiday Association in convention assembled at Mankato, Minn., favoring the prompt passage of legislation to stabilize the currency and reduce the buying power of the dollar, which was referred to the Committee on Banking and Currency.

#### PROHIBITION AND ENFORCEMENT

Mr. SCHUYLER. Mr. President, I present numerous memorials of sundry citizens and religious and other organizations in the State of Colorado, remonstrating against the passage of legislation to repeal or modify the national prohibition act, which I request may lie on the table; and also that one of the memorials be printed in the RECORD, together with the names of the organizations from which received, the number of signers, and the names of the cities or towns.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

#### MEMORIAL OPPOSING THE BEER BILL

*To the honorable the Senate of the United States, greetings:*

Believing (1) That the eighteenth amendment is the best solution to the liquor question yet advocated;

(2) That beer, as authorized in the bill H. R. 13742, with 4 per cent alcoholic content according to volume, is intoxicating and therefore unconstitutional;

(3) That the free use of this beer would greatly endanger the public safety and general welfare in this speed age of travel;

(4) That it is to the best interest of the public to keep this Nation saloonless and sober, which will be impossible if this bill is enacted:

Therefore we, the undersigned adult residents of Canon City, State of Colorado, earnestly petition your honorable body not to pass H. R. 13742, or any other measure that would override the eighteenth amendment of the Federal Constitution, but instead employ means to make national prohibition more effective.

The number of signers of the memorials and the names of the cities or towns, together with the names of the organizations, are as follows: Canon City, Colo., 110; Sedgwick, Colo., 5; Dolores, Colo., 53; Ault, Colo., Ault Chapter, Woman's Christian Temperance Union; Denver, Colo., Washington Park Woman's Christian Temperance Union; Wray, Colo., 18; Loveland, Colo., 44; Englewood, Colo., churches and Woman's Christian Temperance Union; Denver, Colo., 1,115; Carr, Colo., 47; Denver, Colo., Highlands Woman's Christian Temperance Union; Grand Junction, Colo., 300; Las Animas, Colo., 130; Hotchkiss, Colo., Rogers, Mesa, and Hotchkiss Woman's Christian Temperance Union; La Junta, Colo., Presbyterian Church; Holyoke, Colo., Holyoke Woman's Christian Temperance Union; Loveland, Colo., 900; Otis, Colo., Otis Woman's Christian Temperance Union; Crawford, Colo., Crawford Woman's Christian Temperance Union; Grand Junction, Colo., Grand Junction Woman's Christian Temperance Union; Denver, Colo., South Broadway Christian Church; Colorado Congress of Parents and Teachers, Denver, 35; Julesburg, Colo., 17; Sterling, Colo., LeRoy Evangelical Church; Denver, Colo., First United Presbyterian Church; Burlington, Colo., 24; Loveland, Colo., 43; Denver, Colo., Barnum Methodist Church; Denver, Colo., Alameda Evangelical Church; Denver, Colo., 70; Denver, Colo., 150; Denver, Colo., 160; Denver, Colo., 55; Cedaredge, Colo., Cedaredge Woman's Christian Temperance Union; Wiley, Colo., Methodist Episcopal Sunday School, 16; Brighton, Colo., Brighton Woman's Christian Temperance Union; Fort Collins, Colo., 7; Cortez, Colo., 61; Montrose, Colo., Montrose Woman's Christian Temperance Union; Arvada, Colo., First Baptist Church; Grand Junction, Colo., First Baptist Church; Brush, Colo., Brush Woman's



Christian Temperance Union; Limon, Colo., Limon Woman's Christian Temperance Union; Denver, Colo., Hawley Woman's Christian Temperance Union; Bellvue, Colo., 37; Burlington, Colo., 18; Denver, Colo., Colorado Federation of Women's Clubs; Arvada, Colo., Arvada Presbyterian Church; Fleming, Colo., Fleming Woman's Christian Temperance Union; Denver, Colo., Grant Avenue Methodist Church; Sugar City, Colo., Methodist Episcopal Church; Bayfield, Colo., 24; Denver, Colo., 1,600; Fort Collins, Colo., 50; Longmont, Colo., Longmont Woman's Christian Temperance Union; Denver, Colo., Broadway Baptist Church; Wray, Colo., Wray Woman's Christian Temperance Union; Canon City, Colo., Canon City Ministerial Alliance; Jaroso, Colo., 45; Hotchkiss, Colo., Hotchkiss Woman's Christian Temperance Union; Montrose, Colo., mass meeting; Fort Lupton, Colo., mass meeting; Golden, Colo., mass meeting; Loveland, Colo., Loveland Woman's Christian Temperance Union; Loveland, Colo., mass meeting; Greeley, Colo., Epworth League; Sterling, Colo., Epworth League; Golden, Colo., 49; Longmont, Colo., 23; Golden, Colo., 22; Otis, Colo., Presbyterian Church; Golden, Colo., 19; Golden, Colo., 30; Burdett, Colo., Burdett Woman's Christian Temperance Union; Sterling, Colo., Sterling Woman's Christian Temperance Union; Sterling, Colo., First Presbyterian Church; LeRoy, Colo., Evangelical Church; Denver, Colo., Central Presbyterian Church; Sterling, Colo., Woman's Christian Temperance Union; Paonia, Colo., Paonia Woman's Christian Temperance Union; Colorado Springs, Colo., Woman's Christian Temperance Union; Golden, Colo., 10.

#### RECOVERY FROM DEPRESSION

Mr. SCHALL. Mr. President, I have just had read to me an article in the Minneapolis Star of January 25 reporting a speech of Doctor Weidenhammer, University of Minnesota. Coming from such a student of economics, of business administration, and investments, it brings a ray of hope that should be given all the space possible for its radiation. I wish to help by asking not only that it be printed in the RECORD, but that it be referred to the Committee on Banking and Currency.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

[From the Minneapolis (Minn.) Star, January 25, 1933]

CRISIS PASSED, EDUCATOR SAYS—DEPRESSION HIT BOTTOM LAST JUNE, DOCTOR WEIDENHAMMER DECLARES

The depression has hit bottom and the Nation is on an upward climb, Dr. Robert Weidenhammer, professor of investments in the school of business administration at the University of Minnesota, told members of the Optimists Club at the Leamington to-day.

"The depression hit bottom in June last year," Doctor Weidenhammer said. "The first half of 1932 now appears like a nightmare. France withdrew gold, the bond market declined with nerve-racking monotony, the Kreuger and Insull scandals wiped out confidence in the giants of the last boom, and our banking system was threatened.

"To-day the crisis has passed, but recovery will be slow. There will be more failures and receiverships in 1933 than in 1932, but the security market has discounted them long ago. Inflation can and should be avoided. Recovery will lift prices, but the lifting of prices by inflation would not assure lasting recovery."

#### REPORTS OF COMMITTEES

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (H. R. 6184) for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C., reported it with an amendment and submitted a report (No. 1123) thereon.

Mr. BINGHAM submitted the views of the minority of the Committee on Commerce to accompany House bill 6184, just above reported, which was ordered to be printed as part 2 of Report No. 1123.

Mr. CUTTING, from the Committee on Military Affairs, to which was referred the bill (S. 3673) for the relief of George W. Edgerly, reported it with an amendment and submitted a report (No. 1124) thereon.

Mr. DICKINSON, from the Committee on Printing, to which was referred the joint resolution (S. J. Res. 238) relating to leave with pay for employees of the Government

Printing Office, reported it without amendment and submitted a report (No. 1125) thereon.

#### FEDERAL AID FOR UNEMPLOYMENT RELIEF

Mr. LA FOLLETTE. From the Committee on Manufactures, to which was referred the bill (S. 5125) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, I report it back with amendments and submit a report (No. 1126) thereon.

I wish to give notice that at the first opportunity in the legislative situation when I may obtain recognition from the Chair I shall move to proceed to the consideration of this important relief bill.

The PRESIDENT pro tempore. The report will be received and the bill placed on the calendar.

#### ENROLLED BILL PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, January 27, 1933, that committee presented to the President of the United States the enrolled bill (S. 5160) to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CONNALLY:

A bill (S. 5532) to extend the time for the construction of a bridge across the Rio Grande at Boca Chica, Tex.; to the Committee on Commerce.

By Mr. VANDENBERG:

A bill (S. 5533) for the relief of the Acme Motor Truck Corporation (with accompanying papers); to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 5534) for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N. Y.; to the Committee on Claims.

A bill (S. 5535) for the relief of certain Army officers whose household and other effects were damaged on Government property; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 5536) to amend section 113 of the Judicial Code, as amended, with respect to the southern judicial district in the State of West Virginia; to the Committee of the Judiciary.

By Mr. JOHNSON:

A bill (S. 5537) to convey certain land in the county of Los Angeles, State of California; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 5539) authorizing the Secretary of the Navy to grant a perpetual easement 15 feet in width to Pacific Gas & Electric Co., a California utility corporation, over, across, in, and upon the site of the lighter-than-air base, near Sunnyvale, in the county of Santa Clara, in the State of California, for an existing 20-inch gas main; and

A bill (S. 5540) to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; to the Committee on Naval Affairs.

By Mr. KING:

A bill (S. 5541) to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 5542) for the relief of Joseph Thompson (with an accompanying paper); to the Committee on Naval Affairs.

By Mr. DAVIS:

A bill (S. 5543) for the relief of N. C. Nelson; to the Committee on Claims.

#### CONSOLIDATION OF DEPARTMENTS OF AGRICULTURE AND INTERIOR

Mr. BRATTON. Mr. President, I stated yesterday on the floor of the Senate that I had prepared a bill to consolidate the Department of Agriculture and the Department of the



Interior, and that in my opinion we could save \$100,000,000 annually by effecting that consolidation. I have completed the preparation of the bill and I ask consent to introduce it.

The bill (S. 5538) to establish a department of development and conservation, to abolish the Department of Agriculture and the Department of the Interior, and to transfer the functions thereof to the department of development and conservation, and for other purposes, was read twice by its title and referred to the Committee on Public Lands and Surveys.

#### PAN-AMERICAN MEDICAL ASSOCIATION

Mr. CONNALLY. Mr. President, I introduce and send to the desk a joint resolution. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Let it be read for the information of the Senate.

The joint resolution (S. J. Res. 243) authorizing the President of the United States to extend a welcome to the Pan-American Medical Association, which holds its convention in the United States in March, 1933, was read the first time by its title and the second time at length, as follows:

*Resolved, etc.,* That the President of the United States is authorized on behalf of the Government of the United States to extend a welcome to the Pan-American Medical Association, which is to hold its fourth congress, being its first congress held in an English-speaking nation, at Dallas, Tex., from March 21 to March 25, 1933.

Mr. CONNALLY. Mr. President, I do not care to consume any time in discussing the matter. I have consulted with the senior Senator from Idaho [Mr. BORAH], chairman of the Foreign Relations Committee, and there is no objection to the joint resolution.

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

#### AMENDMENT OF EMERGENCY RELIEF AND CONSTRUCTION ACT

Mr. FLETCHER submitted two amendments intended to be proposed by him to the bill (S. 5336) to amend the emergency relief and construction act of 1932, which were referred to the Committee on Banking and Currency.

#### AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. FRAZIER submitted two amendments intended to be proposed by him to House bill 13710, the Interior Department appropriation bill, which were ordered to lie on the table and to be printed, as follows:

On page 18, line 1, to strike out "\$114,430" and insert in lieu thereof "\$103,521.67," so as to read: "For expenses incidental to the sale of timber, and for the expenses of administration, including fire prevention, of Indian forest lands from which such timber is sold to the extent that the proceeds of such sales are sufficient for that purpose, \$103,521.67, reimbursable to the United States as provided in the act of February 14, 1920 (U. S. C., title 25, sec. 413)."

And on page 46, line 6, after the word "Indians," to strike out the period and insert a colon and the following: "Provided further, That effective July 1, 1933, the Yankton Agency, S. Dak., as an independent agency, shall be discontinued."

#### AMENDMENTS TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. McKELLAR submitted an amendment intended to be proposed by him to House bill 13520, the Treasury and Post Office Departments appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 35, line 3, after the word "projects," to strike out "\$50,000,000" and insert "\$25,000,000," so as to read:

"For the acquisition of sites or of additional land, commencement, continuation, or completion of construction in connection with any or all projects authorized under the provisions of sections 3 and 5 of the public buildings act, approved May 25, 1926 (U. S. C., Supp. V, title 40, secs. 343-345), and the acts amendatory thereof approved February 24, 1928 (U. S. C., Supp. V, title 40, sec. 345), and March 31, 1930 (U. S. C., Supp. IV, title 40, secs. 341-349), within the respective limits of cost fixed for such projects, \$25,000,000."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 13520, the Treasury and Post Office Departments appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 16, line 16, after the word "each," to insert the following: "Provided further, That no refund or credit of any income or

profits, estate, or gift tax in excess of \$20,000 shall be made after the enactment of this act until a report thereof giving the name of the individual, trust, estate, partnership, company, or corporation to whom the refund or credit is to be made, the amount of such refund or credit, and the facts in connection therewith and all supporting papers are submitted by the Commissioner of Internal Revenue to the Comptroller General of the United States and approved by him, the papers to be returned to the Commissioner of Internal Revenue after final action on the proposed refund is taken by the said Comptroller General. This proviso shall not apply to refunds or credits made pursuant to a judgment of a court having jurisdiction of the subject matter, or a decision of the United States Board of Tax Appeals, which has become final."

#### THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of January 25 and 26, 1933.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 5160) to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes, and it was signed by the President pro tempore.

#### NATIONAL PARK SERVICE—JACKSON HOLE

Mr. CAREY. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Morning Eagle, of Cheyenne, Wyo., relating to the Jackson Hole area and the national-park system.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Cheyenne (Wyo.) Morning Eagle, January 24, 1933]

CONFIDENTIAL LETTERS TO ROCKEFELLER REVEALED HERE—NATIONAL PARK SERVICE STARTED MOVE TO ADD JACKSON HOLE AREA AS EARLY AS 1923

By Julian B. Snow, news editor the Wyoming Eagle

How the National Park Service initiated the present Rockefeller plan of purchasing a considerable portion of Teton County as a part of a park-extension program, and how John D. Rockefeller, jr., was warned by Horace M. Albright, assistant superintendent of the national parks, to take care "to say nothing" of the "ultimate plan of acquiring all of the private holdings in the Jackson Hole" was revealed here to-day in copies of letters purporting to have been written by Albright to Rockefeller as far back as February 16, 1927.

Copies of Albright's letters to Rockefeller and to others interested with him have been received by the Morning Eagle from highly reliable sources and reveal, among other interesting facts, the desire of the park superintendent to secure the aid of eastern financial interests to annex the beautiful Jackson Hole country to the park system.

On February 16, 1927, Superintendent Albright advised John D. Rockefeller, jr., that "should you feel that this is a matter that you would like to proceed with, I am sure it can be handled with excellent results along the following lines:

"1. Say nothing at the present time about the larger or ultimate plan of acquiring all of the private holdings in the Jackson Hole.

"2. Confine all activities to acquisition of holdings west of the Snake River in the area colored on the map you had, and which I return herewith.

"3. Buy in this area, through an agency or agencies, under a plan to organize a recreation and hunting club. If there were more grazing lands on the west side of the river, I would advocate operating as buyers for a land and cattle company. \* \* \* A cattle company to operate on the east side later would be an ideal agency.

"4. Employ a firm of attorneys in Salt Lake City to coordinate buying operations and disburse funds. I have in mind the firm of Fabian & Clendenin. \* \* \*

"5. Through these attorneys, acting for 'a recreation and hunting club' or some other hypothetical organization if a better one can be found, the lands could be acquired for cash. \* \* \*

"6. As soon as possible the National Park Service and the General Land Office will plat on maps all of the other private holdings in Jackson Hole. I have the list of holdings as of December, 1923. There were then more than 402 owners of a little over 100,000 acres of land. The situation has not materially changed since then. The land, which includes the west side of the Snake, too, is worth on an earning basis, perhaps \$1,000,000 annually, including value of improvements. I can not say what it could be acquired for, but investigation of value can be quietly secured this summer."

Later on in his letter the park superintendent points out that "it would attract undue attention to absolutely prohibit suddenly the taking up of other vacant public lands, and so, while we buy improved properties, others now lying untaken and unused might be settled. The answer is that practically every tract of land susceptible has been taken up under homestead laws—practically,



settlement has reached its limits considering national forests and other permanent withdrawals from permanent occupation \* \* \*"

On September 25, 1923, in a confidential letter from Superintendent Albright to Mr. Hal G. Ewerts, of Hutchinson, Kans., Mr. Albright discussed "a proposition that is positively the most important game-conservation project in America to-day," and warns that the "utmost care must be exercised in discussing this idea, because the Forest Service is bound to fight it and kill it. The Jackson office of the Forest Service is lying awake nights figuring out ways to defeat the old extension plan."

In a letter to Mr. Thomas Cochran, 23 Wall Street, New York, Superintendent Albright as early as November 30, 1923, discussed the plan and again warned that "we must be very careful not to let it [the plan] become public property. The Forest Service, which hates to let go of an acre of land under any conditions and which has been fighting our whole extension project, would kill this new plan in a minute. We can not, therefore, let the idea get into the hands of any of Governor Pinchot's friends \* \* \*"

#### TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Maryland?

Mr. BYRNES. I yield.

Mr. TYDINGS. After a preliminary remark of a moment, I would like to ask unanimous consent to withdraw the motion I made yesterday to recommit the pending appropriation bill, with a resolution thereto attached, and to submit therefor a new resolution, which I now have in my hand.

Before sending it to the desk may I say that the matter of the resolution was discussed this morning by those on this side of the aisle, and I think I am stating a simple fact when I say that it was the overwhelming thought of the conference that the resolution is sound and needed and should be applied as far as human limitations make it possible to be applied. I was very much gratified with the splendid cooperation of my colleagues who were present in their desire to accomplish what the resolution sought to accomplish, realizing that certain circumstances and inhibitions were present in the adoption of the resolution as it was presented, which restrictions will be explained by others than myself at some immediately later time.

I renew my request to withdraw the resolution I embodied on yesterday in my motion to recommit the pending bill and to offer the substitute, which I ask may be read.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland to withdraw his resolution?

Mr. KEAN. Mr. President, I object.

Mr. NORRIS. Mr. President—

Mr. TYDINGS. Does the Senator from Nebraska object to the resolution's being read?

Mr. NORRIS. No; I am not objecting to the request, but before it is done I want to make a statement.

Mr. TYDINGS. Will the Senator let it be read and then make his statement?

Mr. NORRIS. Certainly.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read as follows:

*Resolved*, That it is the declared policy of the Senate that the appropriations in the aggregate shall be reduced at the earliest practicable time to a sum equal to that of the estimated revenue, and that the Committee on Appropriations is instructed to make a survey of all appropriation bills and to make reductions therein wherever possible without injuring the efficiency of essential services and conforming to a policy of strictest economy.

Mr. NORRIS. Mr. President, may I ask the Senator a question? The reading of the resolution indicated to my mind that it is not his purpose to recommit the bill. Is that correct?

Mr. TYDINGS. No; the economies hoped to be brought about by recommitting the bill to the Committee on Appropriations, where the proposed amendments have already been considered, will be offered on the floor so that an opportunity to reduce the appropriations in this bill will be laid before the Senate as a whole.

Mr. NORRIS. I want to submit to the Senator, inasmuch as his resolution does not recommit the bill, whether he ought not to wait until we dispose of the bill and see whether we do that thing? If we do not succeed in getting the reductions in this bill, then he might well offer his resolution.

Mr. TYDINGS. I will say to the Senator from Nebraska that it is not my desire at this time to press the resolution to a conclusion. I simply wanted to withdraw the pending resolution, which is now the immediate business before the Senate, indicate my reasons for withdrawing it and offering a substitute, and to let it lie on the table until we had acted on the bill.

Mr. NORRIS. I have no objection to that, but I thought when the Senator rose that his motion included recommitting the bill, and I want to say that as soon as I can get the floor I have an amendment to the bill which I want to offer. If, however, the bill is going to be recommitted, I want the amendment, which I wish to discuss briefly, to go with the bill.

Mr. SMOOT. Mr. President, will the Senator yield for a moment?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. BYRNES. I yield.

Mr. SMOOT. I merely wish to say that we have marched up the hill and now we are marching down.

Mr. TYDINGS. I did not hear what the Senator from Utah said.

Mr. BYRNES. Mr. President, I have the floor.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield; and if so, to whom?

Mr. BYRNES. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator from Maryland has not asked for the present consideration of the resolution. The resolution declares a policy with which I believe the entire Senate will find itself in sympathy. The statement of the Senator from Utah that "we have marched up the hill and down again" is like a great many other statements he makes here; it is unfounded in fact; it is historically inaccurate; it is parliamentarily untrue. The principle of the resolution is entirely sound, and when the opportunity is presented its consideration will be asked of the Senate.

The VICE PRESIDENT. The Senator from New Jersey objected to the withdrawal of the resolution.

Mr. KEAN. I ask for the yeas and nays.

The VICE PRESIDENT. The Senator from South Carolina has the floor.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. The yeas and nays have already been ordered. Does the Senator from South Carolina yield to the Senator from Florida?

Mr. BYRNES. I yield to the Senator from Florida.

Mr. FLETCHER. I suggest that the Senator who makes a motion may withdraw it. He does not have to ask unanimous consent for that purpose.

The VICE PRESIDENT. After the yeas and nays have been ordered it can not, under Rule XXI, be withdrawn or modified by the mover, but may be withdrawn or amended on motion adopted by a majority vote of the Senate.

Mr. FLETCHER. I did not know the yeas and nays had been ordered.

Mr. SWANSON. Mr. President, I understand the rules provide that that can be done unless the yeas and nays have been ordered.

The VICE PRESIDENT. The yeas and nays were ordered yesterday.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. BYRNES. Mr. President, I dislike to yield any further at this time. I wish to be good natured about it, but I seldom occupy any time upon the floor, and I do wish to make a statement with reference to the resolution.



The Senator from Maryland [Mr. TYDINGS] rendered a distinct service by the introduction of the resolution presented by him yesterday, because he called the attention not only of the Senate but of the country to the necessity for the strictest economy. By the terms of the substitute resolution now offered by the Senator from Maryland there is no change of policy. There is a change only as to the method by which the result is to be accomplished and the time within which it is to be accomplished. Those changes must be made for several reasons.

Let us look at the figures. Reference is often made to the Budget estimate, and with such inaccuracy at times that I secured the figures from the clerk of the Appropriations Committee. According to those figures, the estimates for this fiscal year aggregate \$4,403,000,000. There has been one deduction, in House Document 518, which reduces the total Budget estimates to this date to the sum of \$4,379,000,000. When we deduct the public-debt retirement of \$534,000,000 it leaves an estimated total expenditure of \$3,845,000,000. When we deduct the revenues of the Postal Service it leaves \$3,220,000,000.

What is the situation to-day? If on this day the appropriation bills, wherever pending, whether in the House committee or on the floor of the House or in the Senate committee or on the Senate floor, were approved by the President of the United States, there would be a reduction from the estimates of \$53,722,779. To comply with the original Tydings resolution would require a reduction of \$218,036,731.40 below the amount to which the bills have already been reduced.

Mr. President, whenever we undertake to fix a stated sum as the sum to which appropriations can be reduced, many difficulties confront us. In response to inquiries yesterday the Senator from Maryland stated that he believed reductions could be made in appropriations for the retirement of emergency officers. However, no such reductions can be made unless the proper legislative committees of the Senate and of the House of Representatives report bills and Congress first changes the basic law under which retirement pay is granted. It has been established time and time again that, so long as there is no change in existing law, an officer now entitled to retirement pay can, if the amount is not paid, go into the courts and secure judgment for the amount based on the law. Therefore, before the Appropriations Committee can make such reductions, the legislative committees of the Senate must recommend the proper legislation, and such legislation must be enacted by the Congress.

Members on this side of the aisle are not in charge of the committees having control of veterans' legislation. We have no opportunity to report, if we desired to do so to-day or any other day, legislation that would affect emergency officers. The Senate has a special committee appointed for the purpose of investigating that subject. That committee has not reported. The majority of the committee comes from the other side of the aisle and not from this side. So long as that is true, and until existing veterans' legislation as to emergency officers shall be amended, there can be no reduction except in the appropriations for administrative purposes of the bureau.

Where else can large reductions be made in the expenditures of the Government? Reductions can come only from that source or by a reorganization of the departments of the Government. How can we hope for a reorganization of the departments of the Government by the Congress? I can recall during the 14 years of my service in the other House the efforts which were made by the Congress to reorganize the departments, and which were always unsuccessful. The pending bill carries a provision for reorganization of the departments of the Government and gives to the President the power to abolish useless departments. If that power is courageously exercised there can be a reduction of Government expenses. The Senator from Maryland, anxious to cooperate in securing a reduction of the expenditures of the Government, does not want to be placed in the position of having a bill sent back to the committee when there is evidence on the floor of the Senate that many who really are

not very anxious about reducing expenditures would like to have that accomplished in the hope that it would kill all the appropriation bills at this session and thereby prevent any reorganization. On the contrary, let us pass this measure, give to the President authority to reorganize in such a way, under the provisions of this bill, that there will be a chance for such reorganization to become effective without placing it in the power of one House of Congress alone to disapprove the action of the Executive when he shall undertake to abolish useless bureaus. We can then bring the expenditures within the income.

We can do much now. As the Senator from Maryland knows, in the Committee on Appropriations when this bill was under consideration there were offered four amendments which, if adopted, would have accomplished substantial savings in the expenditures of the Government. The Committee on Appropriations voted against those amendments, and now the question is whether we should recommit the bill to the tribunal where those amendments were lost, or whether we shall proceed to consider the bill on the floor of the Senate, where the amendments will be offered with some hope of being adopted, and we may be successful in accomplishing material savings in the appropriations carried in the bill. To recommit it, with instructions to reduce to a certain amount, would mean that those amendments would be lost and the savings would not be effected. For these reasons the resolution now offered by the Senator from Maryland is in exact accord with the principle of the resolution offered by him on yesterday.

One further thing. I said that our ability to reduce expenditures to any great extent must be dependent upon repealing or changing existing legislation authorizing the expenditures, many of them on a contractual basis. The Committee on Appropriations must provide the funds to carry out the directions of the Congress and the provisions of the law.

A statement was made on yesterday about the plank in the Democratic platform—

Mr. TYDINGS. Mr. President, before the Senator comes to that will he yield to me for a moment?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Maryland?

Mr. BYRNES. Yes.

Mr. TYDINGS. The Senator has already pointed out that as to one of the places where there is an opportunity to make a large saving without doing injustice to anybody entitled to Government attention, it is impossible to make a saving by reducing the appropriation, because the first person denied compensation or bounty, as the case may be, could then go into the Court of Claims and get judgment against the Government. So, even though the appropriations were reduced, there would be no saving. That was primarily the reason, so far as I am concerned, why the resolution was modified.

Mr. BYRNES. Mr. President, the Democratic platform, to which reference was made on yesterday, contains this statement:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

"Accurate executive estimates"! The figures taken by the Senator from Maryland represent the estimates of revenue as furnished on December 5 by the Budget Bureau. The figures are \$2,949,162,713; and yet within the last week the President of the United States has sent to the Congress a message in which he states that the revenues will not reach this sum; that already it is apparent that there will be a reduction in the revenues of between \$100,000,000 and \$300,000,000. So when we attempt to have the expenditures conform to the revenues as estimated by the Treasury at this time, it is an absolute impossibility unless from day to day we consult the Secretary of the Treasury. We now have no accurate estimates.

In addition, in the \$2,900,000,000 of estimated revenue according to the Budget there is included the sum of \$328,-



000,000 as receipts from foreign debt. How much will be received during the next fiscal year in payment of foreign debts due us is certainly a matter as to which there may be some difference of opinion.

In the Democratic platform there is the further declaration:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

What did the expenditures of the Government amount to upon the day that resolution was adopted? On that day the appropriations amounted to \$4,800,731,779. No man, by any fair interpretation of the language of the platform, could construe it as meaning that we would advocate or seek to secure a reduction of 25 per cent of the public debt or the interest upon it. When those two items are eliminated, it means that we pledged ourselves to a reduction of \$885,000,000 from the appropriations existing at that time, and which were the only appropriations that could have been in contemplation by those who drafted and voted for the adoption of that platform.

The President, in the Budget estimates sent to the Congress, makes a reduction of approximately \$400,000,000. Since those bills have been received by the Congress, the bills as they stand to-day contain a reduction of an additional \$55,000,000. If the Congress will adopt the economy provisions of this bill reported by the Senator from Connecticut [Mr. BINGHAM], a further \$30,000,000 will be added, and if we will adopt also the provisions contained in this bill authorizing the reorganization of the Government, with the powers therein contained, I know that the next President of the United States will not hesitate one moment to exercise the power with courage in the reduction of bureaus, and before July 1, the beginning of the next fiscal year, the goal set by the platform of a reduction of \$800,000,000 will have been attained.

Mr. BLAINE. Mr. President, will the Senator yield for a question?

Mr. BYRNES. I yield to the Senator from Wisconsin. I have not yielded the floor.

Mr. BLAINE. Do I understand that under the proposed power of reorganization of executive departments the President would have the power to abolish the Veterans' Bureau and the functions of the Veterans' Bureau?

Mr. BYRNES. Yes, submitting it to Congress; and if any President abolished the Veterans' Bureau and submitted it to Congress, and the Congress did not disapprove it, then the Veterans' Bureau should be abolished. If the President of the United States, elected by the people of the United States, should see fit to abolish that bureau—of course, the Senator and I know that he would never do it—but should he do it, and should the Congress, elected by the people, refuse to disapprove it, then I think it is about time that the Veterans' Bureau should be abolished.

Mr. BLAINE. In other words, the President would have power in effect to repeal all provisions of the law for pensions for old soldiers and widows, compensation for the disabled, and so forth?

Mr. BYRNES. No; my interpretation is not that he could do that. I am satisfied that he could not. Furthermore, while I dislike to enter into a discussion of the reorganization at this time, because at a later time I expect to do so in an orderly way, I will say that the bill lays down the standard, the policy of the Congress, and where an Executive order is filed, setting forth that the fact has been ascertained that certain functions overlap existing functions, and that the policy of the Congress having been declared that where there is such overlapping and where it is necessary in order to accomplish a reduction in expenditures that a bureau—the Efficiency Bureau, for instance—should be abolished, it is ordered that it be abolished. That order must be sent to the Congress, and the Congress has a chance to disapprove it if it sees fit.

Mr. BLAINE. One other question: Then the reduction would be made only respecting the operating expenses of the bureau or department.

Mr. BYRNES. Yes; that is right.

Mr. HASTINGS and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. The Senator from Delaware.

Mr. HASTINGS. Mr. President, I desire to congratulate the Senator from South Carolina [Mr. BYRNES] upon having convinced the Senator from Maryland [Mr. TYDINGS], who introduced this resolution some days ago, as well as his associates on the other side of the Chamber, of the impracticability of carrying out any such proposal as this.

The resolution of the Senator from Maryland provides:

That the Committee on Appropriations be, and it is hereby, instructed by the Senate to reduce any and/or all appropriation bills sufficiently so that the aggregate of all appropriations for the fiscal year 1934 shall not be in excess of \$2,949,100,000, which figure represents the total estimated revenue for the fiscal year 1934—

And so forth.

Undoubtedly it sounds very well to people living all over this country to have somebody propose what seems on the face of it to be a very sensible thing, namely, to cut down the expenses of the Federal Government to a point where the income will be sufficient to balance the Budget.

In order that I may show conclusively how impractical this proposition is, it will be necessary for me to quote some figures.

I want to say in reference to the Senator from Maryland [Mr. TYDINGS] that I know of nobody in this Chamber who is so little inclined to propound propositions for the mere purpose of being on the popular side of any question. My observation leads me to believe that heretofore his suggestions have been sound; and I am inclined to think that this motion and his speech must have been rather hastily conceived, or he would not have made the proposal in the first place.

The Budget requirements, as presented to the Congress, amount roughly to \$3,790,000,000; but we must bear in mind in that connection that the President has recommended a reduction in salaries of \$55,000,000 and a reduction in the appropriations for the veterans of \$127,000,000, making a total of \$182,000,000; and until legislation is had upon the subject recommended by the President I submit that the Appropriations Committee is in an entirely hopeless position so far as being able to do anything effective with these two subjects is concerned.

If we add that \$182,000,000 to the \$3,790,000,000, we have a total of \$3,972,000,000; and if we deduct from it the retirement of the public debt, as is suggested in the resolution, of \$534,000,000 we have left \$3,438,000,000.

The estimated receipts being \$2,949,000,000, we have left an amount of \$489,000,000, representing the amount by which the Appropriations Committee is bound to see that the appropriations shall be reduced; and if we take the speeches made in connection with the subject and the very purpose of the resolution itself—namely, to balance the Budget by spending no more than is collected—it will be necessary to add to it \$329,000,000 due from the foreign governments, none of which we may receive, and, as has just been stated a moment ago, nobody knows definitely how much of it, if any, will be received. That leaves us a total of \$818,000,000 that we will be short when it comes to balancing the Budget.

In order that we may find out whether it can be done and upon what items we may make the reduction, it will be necessary, in the first place, to eliminate \$725,000,000 of interest on the public debt. Nobody will contend that that can be reduced in any way except by making some further provision on the subject, which means further legislation, as suggested by the Senator from Maryland yesterday.

There is another important item, however, which is frequently overlooked by Members of Congress, and that amounts to \$311,000,000. Those are trust funds, tax refunds, District of Columbia budget, contributions to civil-service pensions, Post Office subsidies to air and foreign mail which are represented by fixed obligations, and other similar items



which there is no opportunity to reduce. Then, if we add to that \$305,000,000 for the contracts that have already been let for public works and their maintenance, we have a total of \$1,341,000,000 from which no reduction can be made.

The balance of the Budget amounts to \$2,097,000,000. If we take the amount which the Senator from Maryland suggests in his motion as the amount from which the Appropriations Committees may make their reductions, we find it amounts to 23½ per cent of the \$2,097,000,000. There are three places from which that may come.

One is the military service. If we take 23½ per cent of that, we have a reduction of Army and Navy costs of \$144,000,000. If we make the same reduction in the amounts paid to veterans, we have a reduction in the Veterans' Bureau of \$221,000,000. We have a reduction in all other expenses of \$121,000,000; making a total of \$486,000,000.

If we add to that the probability that we will not receive this money from the foreign countries, then, if we are going to add nothing to the income, it will be necessary to reduce all of these items by 40 per cent instead of 23½ per cent. That means that the Army and Navy will be reduced by \$245,000,000, and that the veterans will be reduced by \$375,000,000, and that all others will be reduced by \$206,000,000, making a total of \$826,000,000.

Mr. President, in order that the country may not be disappointed at what the Congress can do—either the present Congress or the incoming Congress—I think it is well for them to know what the actual situation is. I think it is well for them to know, as the Senator from South Carolina [Mr. BYRNES] has pointed out, that before these reductions can be made in appropriations for the veterans, it is necessary for legislation to be had in the Congress; and I am surprised to hear the Senator from South Carolina say that the Members of the Senate on the other side have no voice in this. If the Senators on the other side of the Chamber, whether now or in the past or in the future, will demand that there be a substantial reduction in the appropriations for veterans, they will have at least some response on this side—whether enough to carry it through or not, I am not ready to say—but I say this is the first time it has been suggested in the Senate, so far as I know, that anybody is in a hopeless position when he believed some legislation ought to be had upon some particular subject. He can at least propose it.

I have no doubt the Senator from Maryland, in presenting his resolution had in his mind, the same as the Senator from South Carolina [Mr. BYRNES] had, the promise which the Democratic Party had made to the people of the Nation to reduce governmental expenditures by 25 per cent, by abolishing—this is how they are going to do it—

by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance.

The Senator from South Carolina, himself, says that they must be able by that method to reach the great sum of \$885,000,000.

I call the Senator's attention to the fact that if he will take the 70 departments of the Government, about which so much has been said, and about which the people of this country have been led to believe great savings can be had, if he will take away from that total of 70, some 8 or 10 departments that he and everybody in the Senate will admit are necessary to remain there in order that the Government may function properly, the total sum expended by the other 60 of those departments in any one year amounts to but \$21,000,000; and it is that \$21,000,000 that we may be able to save by eliminating all of these various departments, assuming that the whole 60 can be eliminated.

Mr. BYRNES. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from South Carolina?

Mr. HASTINGS. I will yield to the Senator; but before the Senator asks me a question let me propound one to him.

He says that it is not possible to do this by congressional action. We have for some 15 or 20 years in the past, he

says, been trying to do it, and we have not been able to do it by congressional action, and the only way we will be able to do it is by submitting the question to the Executive, with full authority to act.

I call the Senator's attention to the fact that that is exactly what we have done. We did it in the last Congress, submitted it to the Executive, and he abolished some and made his consolidations, and what happened? A Democratic House, the very first opportunity they had, said it would not do. Then what further happened? We are told we must wait until a new President comes in, and that we must give to that new President, not this little bit of power, but must give to that President more power to abolish, if he wants to, any number of the governmental agencies he sees fit to abolish. That is the kind of an authority the Senator from South Carolina wants to give to the new President. I say that if that new President is entitled to have such authority as that, why is it that the Democratic House could not grant the present President the little bit of authority we attempted to give him?

Mr. BYRNES. Mr. President, I know the Senator from Delaware would not want to misquote me, and I simply wish to say to him that at no time did I say it would be necessary to make a reduction of \$800,000,000 by reorganization. On the contrary, I stated that that was the total amount of reductions to be made in the appropriations to accomplish the 25 per cent reduction. The President of the United States, in the Budget submitted to Congress at this session, reduced the estimates below last year's appropriations to the extent of \$357,000,000, and since that time the House has made reductions so that it will not be necessary to make reductions by reorganization of \$800,000,000.

Inasmuch as the Senator asked me a question, I will answer it, and say that, so far as I am personally concerned, I thought some of the recommendations contained in the message submitted to the Congress by the President of the United States would promote efficiency, but the economy subcommittee of the Committee on Appropriations did not go into a consideration of them, because we were engaged in the preparation of the bill now reported to the Senate. However, the Senator from Delaware I think will agree that the President of the United States has not contended that in the Executive order submitted by him to the Congress there was any provision for the accomplishment of any material reduction of expenditures, and if the Senator from Delaware contends that any provision in that order would accomplish a reduction in expenditures, I would like to have him include in his speech the items which would accomplish that result.

The Director of the Budget told the House committee that he had participated in the drafting of the order, but made no contention that the provisions of that order would accomplish any reduction in expenditures, and expressed the opinion that the order would not do so.

Mr. HASTINGS. Mr. President, I want to say that if in my remarks I gave the impression that I understood the Senator from South Carolina to say that \$885,000,000 would be saved by eliminating departments or consolidating departments, I want to correct any such impression. I did not so understand. I was at the time referring to the platform which the Senator from South Carolina read, the Democratic platform, which provides that 25 per cent can be saved by the consolidation and the elimination of departments; and they add one other very broad suggestion, namely, "extravagance." I do not know whether they referred to the appropriations for the veterans, whether they are referring to the amount being expended for the military service, or what they refer to by "extravagance." The obvious intention was that the people of the country who were to pass upon that platform should believe that "extravagance" meant money spent on things that could be accomplished for less money, and without in any sense depriving anybody who was receiving pensions or anything else from the Government anything, and without in any way lessening the governmental activities.

If it be true, as the Senator says, that there were no material savings in the President's Executive order, it is



further proof that the promise made in the Democratic platform upon this subject is absurd.

However, I understand now that the Senator from Maryland desires to withdraw his resolution and proposes the resolution which I hold in my hand, instead; and I want to point out how very emphatic this resolution is and what a great weight it will have upon the country if passed:

*Resolved*, That it is the declared policy of the Senate that the appropriations in the aggregate shall be reduced at the earliest practicable time to a sum equal to that of the estimated revenue; and that the Committee on Appropriations is instructed to make a survey of all appropriation bills and to make reductions therein wherever possible without impairing the efficiency of essential services and conforming to a policy of strictest economy.

If there is any Senator here who does not agree with that, then I should be greatly surprised. It is meaningless. It is as meaningless, I submit, as it is possible to express anything in seven lines written by anybody. It can hardly be said to emphasize a proposition that is admitted by all.

Mr. ODDIE and Mr. TYDINGS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Delaware yield; and if so, to whom?

Mr. HASTINGS. I yield first to the Senator from Nevada.

Mr. ODDIE. I think the Senator from Delaware will find, after consulting members of the Committee on Appropriations, that the very thing suggested in the resolution just presented by the Senator from Maryland has been done by the committee.

Mr. TYDINGS. Mr. President, will the Senator yield to me now?

Mr. HASTINGS. I yield.

Mr. TYDINGS. Of course, I recall that the Battle of Hastings was fought not in 1066 but in 1932; but let us leave that angle out of it.

May I say to the Senator from Delaware that I think he will be fair enough to concede that even if we were to reduce the appropriations for emergency officers' retirement, notwithstanding the reduction in appropriations, because the law provides for these payments to emergency officers, the Supreme Court has held that such an officer can sue the Government and recover. The Senator will concede that, will he not?

Mr. HASTINGS. I have not read the decision.

Mr. TYDINGS. That is a fact, whether the Senator concedes it or not.

Mr. HASTINGS. Of course, if the Senator says it is a fact, I will admit it.

Mr. TYDINGS. If the Senator had been present yesterday and had listened to what I said, the Senator would have heard me say that that is one item where economy should be effected.

I can also carry that same philosophy farther, namely, that notwithstanding the reduction in appropriations, if the law provides that a certain individual is to receive a gratuity from the Government, he can get it, even though the appropriation is reduced.

May I say to the Senator in all frankness, if he will amend the resolution I have offered so that it will carry out the purpose which he says he has in mind, he will get not only my vote but my enthusiastic support. Before yielding back to the Senator, may I say that I will be very much surprised if the Senator attempts to amend this ambiguous resolution.

Mr. KEAN. Mr. President, will the Senator yield to me?

Mr. HASTINGS. I yield.

Mr. KEAN. I would like to ask the Senator from Maryland by what authority he thinks anybody can sue the United States without permission of the United States?

Mr. TYDINGS. The Supreme Court of the United States has already passed upon that question, and it has held that, where Congress has passed a law authorizing a pension and the gratuity is withheld on account of lack of appropriations, it is a charge on the Government, and judgment against the Government can be had. Does that answer the Senator?

Mr. KEAN. It can not be collected, however.

Mr. TYDINGS. What kind of a government is it that allows its judgments to go unpaid when they are found in a

court of law? Talk about unbalancing the Budget. When, through legal processes devised by Congress a judgment is gotten against the Government, and the Government refuses to pay it, I would like to have the Senator explain what kind of a government that would be.

Mr. KEAN. I thought it was a fundamental principle of law that no subject could sue the sovereign, and I believe it is to-day.

Mr. TYDINGS. Does not the Senator know that we have provided courts all over this land—

Mr. KEAN. Not for the United States to be sued in.

Mr. TYDINGS. What do they do?

Mr. KEAN. One can not sue a State.

Mr. TYDINGS. Of course not.

Mr. KEAN. One can not sue a sovereign.

Mr. TYDINGS. But one can sue the Comptroller General of the United States, or one can sue the Treasurer of the United States, and if he gets a judgment against him, is it not equivalent to getting one against the Government?

Mr. KEAN. No.

Mr. TYDINGS. The Senator is a banker and not a lawyer.

Mr. BARKLEY. Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield.

Mr. BARKLEY. While it is true that the subject, so-called, can not sue the sovereign without the sovereign's consent, it so happens that we have given our consent by general legislation, in the establishment of the Court of Claims here in Washington, and other courts elsewhere, into which any citizen of the United States may go and assert a claim against the Government of the United States. In the veterans' legislation itself we have provided that veterans who are entitled, especially in insurance cases and in many other cases, to remedies not allowed by the Veterans' Bureau they may go into courts and establish their rights.

Mr. HASTINGS. Mr. President, I agree very generally with what the Senator from Maryland says, but having that view as he does have it, it seems all the more remarkable to me that he should have insisted upon this resolution yesterday, and concluded his remarks by saying:

There is a certain place that is paved with good intentions, and I am afraid the country will be in the situation of that place unless we make up our minds to do this here and now.

I got the distinct impression that the Senator from Maryland believed that the only salvation for the country, the only way to reduce these expenses, was through passing his resolution; and I say to him that there were some teeth in that resolution, if one understood what the Senator meant, and I have undertaken to analyze it in order that the people of the country might understand what it meant, by showing what percentages and what amounts it would be necessary to cut in order to make the resolution a practical thing.

Now the Senator comes along with a different kind of a resolution, one which amounts to no more than a bread-and-butter note he sends to his hostess after he has enjoyed a nice dinner—not a thing in the world more than that, as I see it.

Mr. TYDINGS. Mr. President, I am sorry the Senator substitutes for logic and argument so many unnecessary adjectives and nouns. But I may call his attention again to the matter we are debating. How would the Senator amend the resolution so that it might comprise the situation I have just explained?

Mr. HASTINGS. I would not do anything with such a resolution. I would not pass any resolution. If I were as much convinced, and if I knew as well as the Democratic Party knows how these savings can be made, then I would propose the legislation which would carry with it the appropriations or the lack of appropriations. That is what I would do. I do not know how to do it, or I would do it. I am hoping that after the 4th of March I will be able to sit here and learn how it is possible to save this country by doing the thing which the Senator wants to have done by this wishy-washy resolution he proposes.



Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. HASTINGS. I yield.

Mr. TYDINGS. May I say that the Senator from Utah has introduced a bill, which is not wishy-washy, to accomplish that result, and the Senator's own party has a majority on the committee which has the bill and refuses to consider it and refuses to report it?

Mr. HASTINGS. What is that? Is that the beer bill?

Mr. TYDINGS. I thought the Senator knew.

Mr. HASTINGS. Is it the beer bill?

Mr. TYDINGS. Does the Senator mean to say he does not even know what his own party is refusing to consider?

Mr. HASTINGS. I do not know what the Senator is talking about.

Mr. TYDINGS. It deals with the emergency officers' retirement act.

Mr. HASTINGS. I thought the Senator was talking about the beer bill. He has talked so much about the beer bill, now in the Finance Committee, that I assumed it was the beer bill to which he was referring.

Mr. TYDINGS. If the Senator will yield, may I say I thought he was impelled by beer, rather than talk about the beer bill, so groggy were his statements. [Laughter.]

Mr. VANDENBERG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Michigan?

Mr. HASTINGS. I yield.

Mr. VANDENBERG. Before the Senator leaves his quotation of the Senator from Maryland referring to the place that is paved with good intentions, let me remind him that there was another reference in the Senator's speech to that same place, as I recall. I am unable to find it in the RECORD this morning, but I find it in the newspapers:

The only reason we do not do it—

Referring, I suppose, to the passage of the resolution—is political fear. If I can not vote my own sentiments, then to hell with this job.

I cordially concurred in that statement when made, but it occurs to me that the withdrawal of yesterday's resolution and the substitution of to-day's resolution, particularly in the face of the demonstration submitted by the Senator from Delaware, at least confesses that the Senator from Maryland has changed his mind with respect to the proposition that it is nothing but political fear that is interfering with the objective to which he addressed himself yesterday.

Mr. TYDINGS. Mr. President, will the Senator yield further?

The PRESIDENT pro tempore. Does the Senator from Delaware yield further to the Senator from Maryland?

Mr. HASTINGS. I am anxious to yield the floor, if I get the opportunity.

The PRESIDENT pro tempore. The Senator from Delaware yields the floor. The Senator from Maryland is recognized.

Mr. TYDINGS. Mr. President, I think the Senator from Michigan even by way of jest was impelled more by sentiment than justice evidently to make the remarks he just made. May I say to the Senator from Michigan that I did not become wet after my party got wet, and I did not change my opinion about a whole lot of things. If he will look around, and perhaps in a looking-glass, he will see some who have.

Mr. VANDENBERG. Mr. President, the Senator embraces the usual expedient of one who finds himself unable to extricate himself from a difficult situation. As usual, he recurs to the liquor question as a final recourse. He refers to the fact that I have indicated my willingness to submit to the opinions of the American people as expressed in my own Commonwealth. I have no apology to offer for submitting to any such mandate upon the people.

At the same time the people ordered—I recall very distinctly being reminded yesterday by the Senator from Maryland—that Government expenses shall be reduced. I understand the present discussion relates to the reduction of Government expenses, and I came here this morning pre-

pared to vote for the resolution submitted by the Senator from Maryland in that behalf. I am only submitting that the Senator is now retreating from his own position, in which I had hoped to have an opportunity to vote to sustain him.

Mr. TYDINGS. Mr. President, the Senator is ready to charge others with shortcomings which his own apparent conduct makes it unnecessary for others to charge to him. May I say to the Senator from Michigan that neither he nor any other man in this body need have any fear, because if this body will vote as courageously as the Senator from Maryland will vote for governmental economy we will have plenty of money to pay our bills.

Mr. VANDENBERG. I want to concur in that judgment of the Senator from Maryland with respect to my own opinion of him. I only regret that he seems to have cast a shadow upon his record by the performance of the last 24 hours.

Mr. TYDINGS. Mr. President, the Senator from Michigan really has a lot of good qualities after all. [Laughter.]

Mr. BINGHAM. Mr. President, out of justice to the Senator from Maryland [Mr. Tydings] and in view of the comment of the Senator from Michigan to the effect that he could not find in the RECORD the remark of the Senator from Maryland, I think it only fair to point out to the Senator from Michigan that on page 2592 I find the sentiment of the Senator from Maryland where he said that he does not want the job if he has to do it that way, and then went on to say:

If we can not vote reasonably our own sentiments here, then who wants the position?

[Laughter.]

Mr. ROBINSON of Arkansas. Mr. President, an unusual issue has arisen in the Senate. I can not recall an instance previous to the present one when a Senator who made a motion to recommit a bill with instructions was denied the privilege of withdrawing it. Under the rule of the Senate he has that privilege until the yeas and nays are ordered. After that it requires consent of the Senate.

I made some remarks yesterday afternoon which I am not going to repeat now, but whatever may be the temporary personal or political advantages or disadvantages arising out of the existing situation, the fact remains that there are conditions which call for concert of action on the part of all who are interested in the cause of successful government. I know we play politics whenever we choose to do so. I do not censure any other Senator for doing that, because I myself indulge in the great American game whenever I find it advantageous to do so.

Mr. President, we have this situation: A Chief Executive who is the leader of one political organization; a House of Representatives which by a narrow margin is composed of a majority of an opposing political organization, and a Senate which has a majority of the same party which the Executive represents. It is always necessary under such conditions to compose differences in order that advances may be made. There are a number of Senators on the other side of the Chamber who are listening to me intently now, and whom I could name in person, who have pursued a course which I believe is founded on proper conceptions of our Government. There are others who indulge in the game of politics at a time when no such game ought to be played. I realize that a retort can be made, as I said in the beginning, that that is often a favorite game with me.

The Senator from Maryland [Mr. Tydings] has presented a resolution which is reflective of the sentiment of four-fifths of the people of the United States. They who are having their farms and their homes sold for taxes, they who have no business or occupation out of which to make a profit, find great difficulty in understanding why one branch of the legislative department fritters away its time in the discussion of relatively unimportant matters, in the discussion of questions not before it, in the debate of issues which it has no power to determine. The people are in my judgment insisting that we should get down to business and transact it as promptly and efficiently as possible.



I said a moment ago that I could not recall an instance in which a Senator who had made a motion had been denied the privilege of withdrawing the motion in order to make final action conform to the considerate judgment of himself and his associates. Fortunately, under the rules of the Senate the Senate is not dependent upon the caprice of one Senator for the decision of a question of that character. The Senate has the right to determine the question. The Senator from Maryland has stated or indicated that it is his purpose to bring forward Senate Resolution 327 and to amend it so as to substitute the language of the resolution which he offered this morning or sought to offer as a substitute for the previous resolution.

Senators have said that the pending resolution is impossible of accomplishment. I myself yesterday indicated to the Senate the opinion or implied the opinion that changes in the laws which the Congress has enacted will be necessary before reductions in Federal expenditures may be consistently made in accordance with the standard proposed in the resolution of the Senator from Maryland. But I challenge Senators to object to the principle of the resolution. It contemplates what any successful business man attempts to do in his private affairs. It contemplates a reorganization of governmental agencies, a reduction of their costs to a standard that will establish just and reasonable proportions between revenues and Government expenses.

We have this situation, Senators, which we must not forget, no matter what our political attitude may be. Revenues are constantly diminishing, because prices are falling, business is not active, earnings are approaching a minimum. It is necessary and desirable to cut off from appropriation bills every dollar that can be saved without impairing the essential services of the Government. I know that in working out the details there is infinite difficulty, and I do not claim any special knowledge applicable to the accomplishment of that end; but surely we are all agreed in a desire to accomplish the general purpose.

The Senator from Maryland has proposed, as a substitute for Senate Resolution 327, a declaration of policy on the part of the Senate that appropriations "shall be reduced at the earliest practicable time to a sum equal to that of the estimated revenues." One Senator at least has ridiculed that declaration of policy, but it is sound in every feature. He has declared that everyone is in accord with that policy. I wonder if that is true? I wonder if this great body recognizes the necessity of bringing about, as speedily as may be without disrupting necessary Government agencies or discontinuing primarily essential Government services, such a relationship between the revenues and the expenditures as will sustain the credit of our Nation and the honor of its authorized officials.

I realized yesterday, and I realize now, that it is practically difficult, so difficult as to cause us to hesitate, to carry out immediately the purposes of the motion of the Senator from Maryland, but no Senator here as yet has expressed himself in opposition to that purpose. The further provisions of the substitute resolution are:

That the Committee on Appropriations is instructed to make a survey of all appropriation bills and to make reductions therein wherever possible without impairing the efficiency of essential services and conforming to a policy of strictest economy.

It is true that the language is general; it is true that it does not incorporate specific reductions in appropriations; but, if it be agreed to, and be loyally carried out, it will result in great good to the public.

Mr. President, never before in 20 years' service have I known of an instance where the maker of a motion has been denied the privilege of withdrawing it in order that other proposals may be made to conform to the views of himself and of his associates, and it is necessary to test the sense of the Senate on the subject. I felt yesterday and I feel now that it would be unfortunate to recommit this bill to the Committee on Appropriations. I do not want those who are going out of authority here to leave on the incoming administration the burden of making appropriations at an extraordinary session for the expenses of the Government as

well as the burden of enacting legislation necessary to reestablish normal conditions, or approximately normal conditions, in this country; and I do not think that the Senate ought to insist upon prolonging this debate, in order that it might embarrass some Senator who is discharging his duty with ability and with courage, by insisting upon a vote upon his resolution.

For that reason, Mr. President, I move that the Senator from Maryland be permitted to withdraw the pending motion, the understanding being that he will call up Senate Resolution 327 at the earliest opportunity and seek to amend it in the manner which has been indicated by the resolution that he read into the RECORD this morning. If Senators wish further to fritter away the time of the Senate in debating the question as to whether he shall have the opportunity to do that, they are at liberty to do so; but I wish to see every reasonable and possible reduction made in the appropriation bills. I hope that amendments will be offered, some of which, I am sure, will be founded in honesty and in the interest of good government, reducing the appropriations in the pending bill, fought out on this floor, and the principle of conforming expenditures approximately to revenues adopted. It is for the reasons stated that I move that the Senator from Maryland be permitted to withdraw the pending motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

Mr. McNARY obtained the floor.

Mr. ODDIE. Mr. President—

Mr. TYDINGS. Mr. President, will the Senator from Oregon yield? I will say to him that I shall be grateful if he will yield. I have been put in the position of offering a substitute resolution with no time at all to explain my position except in the time of other Senators. I shall only occupy five minutes.

Mr. McNARY. I should be very glad to accommodate the Senator, but the Senator from Nevada [Mr. ODDIE] first asked me to yield, and I now yield to him. I shall yield to the Senator from Maryland a little later.

Mr. TYDINGS. Will the Senator from Nevada yield to me?

Mr. ODDIE. I shall yield to the Senator from Maryland in just a moment. I should like first to make a few remarks on the resolution because I feel that in a way—I know not intentionally—the Committee on Appropriations has been reflected on by the resolution which the Senator from Maryland seeks to substitute for his first resolution.

Mr. President, the Committee on Appropriations has worked diligently on this bill. It has gone over the items carefully. It has had before it the heads of the various bureaus of the Government involved. It has questioned them at length, and it has arrived at the figures in this bill, not without debate and not without difference of opinion among the members of the committee on both sides. There are some very grave problems incident to this bill, a few of which were discussed yesterday at length in the Senate, those, for instance, relating to contracts for the air mail and for the transportation of ocean mail. Some of the Members, including myself, believe that to eliminate or materially reduce the amounts appropriated for those purposes will have a very damaging effect on the industries and on the people of our country. We believe that cutting out the appropriations for the ocean mail contracts will result in shutting down our American merchant marine and tying the ships up to the docks indefinitely; and we believe that eliminating appropriations for the air mail contracts will do away with a great activity which is performing a splendid service for the people and which the people want continued.

There are members of the committee, and those outside the committee, who believe that material reductions can be made in salaries of Government officials. I for one believe that that is the wrong way to obtain efficient economy. I believe if we cut wages and salaries further, as has been proposed and which will be effectuated if certain proposals before us shall be adopted, that the American standard of



living will be lowered, that the wheels of industry will be slowed down further than they are to-day. Mr. President, we can not afford to do a thing of that kind. Should we take such action I believe that industry will suffer and that a return to normal conditions will be seriously delayed.

I can say, from a knowledge of what has gone on in the Appropriations Committee—especially regarding the bill before us of which I have charge—that the committee has worked earnestly, and after studying the various items carefully has arrived at the figures contained in the bill. I do not feel that the bill should go back to the committee. I think the Members of the Senate are competent to handle these problems as they come before them. Every Member of the Senate will have ample opportunity to offer amendments to each one of the provisions of the bill, and these amendments will be given adequate consideration. I feel that it will be a waste of time and that it will be a blow at the efficiency of our Government if we send this bill back to the committee.

Mr. President, I feel, furthermore, that we are attacking this problem in the wrong way. I feel that instead of tearing down the foundation of our Government we should start to build up the structure. It is very largely a question of psychology. I think we should instill a little enthusiasm and optimism in the minds of the American people and help in that way to start the wheels of industry going, rather than to throw monkey wrenches into the machinery, as we are doing to-day by advocating these unwise, uneconomic, and damaging cuts in these necessary appropriations.

Mr. President, we are all earnest in this matter; we want to arrive at the best and wisest conclusion; we want this bill to go through in good form in order that our Government will function properly. I feel that if we send the measure back to the committee it will be doing a grave wrong to the industries and the people of the country.

Mr. TYDINGS. Mr. President, I shall be very brief. I offered the resolution yesterday in good faith. I believe it is the proper thing to do to restore confidence in the country. I also believe the country is tax conscious and that one of the surest ways to restore prosperity is to reduce the burden of taxation wherever possible.

When the Democratic conference assembled to-day I was very much gratified to find that practically everyone there was not only in sympathy with the letter of the resolution but with the spirit. Some who have given a great deal of thought to the matter immediately arose there and pointed out that there were several impediments to accomplishing the object sought to be attained by the resolution. It was pointed out that, in some instances, even though we should reduce appropriations for a particular purpose, such a reduction would not withhold the money from the Treasury, because an individual who had been given the right to a gratuity or compensation or an allowance by legislative act could immediately enter suit in the Court of Claims, and, under a recent ruling of the Supreme Court of the United States, would be entitled to get judgment for his money, anyway. I did not want to be in a position of cutting down appropriations and telling the people of America we had effected economies when, as a matter of fact, if existing legislation provided for the payment of money for which we had not appropriated, no economy would be realized.

Faced with the practical realities of the situation, there was only one thing to do, embarrassing personally as that action was to me, and that was to reword the resolution so that it would accomplish as much as the actual legal circumstances in the case would permit of accomplishment. For that reason, after some discussion there, I consented to the substitute in the hope that it would accomplish all that could be accomplished until Congress makes up its mind to revise some of the legislative acts for the appropriation of money which are now upon the statute books.

It was also pointed out that less than six weeks of the Congress remain; that no appropriation bills whatsoever have passed this body; that to those bills we must give hours and days of thought and time to see where further economies may be effected when they actually come before the

Senate. We have 10 or 11 appropriation bills to consider, with less than six weeks in which to consider them. That means that we must consider about one and a half appropriation bills each week from now until the 4th of March, and none of them could be considered under this resolution until the Committee on Appropriations had made a survey of the whole field. I, therefore, thought that it would be unwise, in the face of the actual facts, to insist upon the resolution as originally drawn. However, Mr. President, I want to leave no misunderstanding in the mind of anybody that I shall by every reasonable vote I can cast in this Chamber attempt to carry out the purposes projected by the resolution submitted by me yesterday.

There may be those on the other side who, because I have frankly and willingly admitted that the resolution, perhaps, was drawn a little too hastily, want to make some sport of it. My answer to those on the other side who fall back on that line of trenches is that it is regrettable that they, themselves, did not draw a better one. So far as I have seen in this session, it is the only resolution anybody has offered to reduce the burdens of taxation upon the American people.

Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. TYDINGS. I yield to the Senator from Ohio.

Mr. FESS. I can not speak for anyone except myself on this side; but when the Senator offered the resolution, coming as it did from the other side of the Chamber, and I realizing that it was an effort to keep a pledge made both in the platform and in the campaign—one that I think it is going to be very difficult, under the circumstances, to keep—I thought it was a source of great embarrassment to everybody for us, believing that we can not under the present situation without legislation reduce the expenditures a billion dollars; that it would give the Senator a chance to say, "Well, we tried to get the Republicans to do it, but they would not do it, and for that reason we are having these heavy expenditures." I was rather inclined to vote to recommit the bill on that basis, so as not to handicap the Senator's party in the solution of a problem that is going to be very difficult.

That was not political, because it comes from the Senator's side. I do not know how others feel, but I know that a few of us who have talked about the matter were ready to vote to recommit the bill. If we can eliminate the feature of it which would permit the charge to be made against the Republicans that we have not done what we could have done, I would very readily vote to permit the withdrawal of the resolution; but the Senator understands the situation with me.

Mr. TYDINGS. I thank the Senator for his observation; and may I say, so far as I am concerned, that I offered the resolution without any political thought at all and in the utmost good faith? The Senator from Ohio, I know, recalls, as others do, that I pointed out yesterday where in my judgment economies could be effected in the appropriations for emergency officers and others without doing any injustice to any emergency officer who was really disabled, or to veterans, or to retired Army and Navy officers—

Mr. FESS. Mr. President—

Mr. TYDINGS. Let me finish the sentence; but that we can not effect those economies merely through reducing the appropriations, because the legislation provides that certain amounts shall be paid to these people, and if we do not appropriate the money they simply get a judgment against the Government in the Court of Claims which we are in honor bound to pay.

Mr. FESS. That was the question I wanted to ask the Senator.

Mr. TYDINGS. That point was not raised in the debate yesterday. If some one had risen on this floor and pointed out that situation then, much that has gone on this morning never would have occurred, because I would have acquiesced in the suggestion to amend the resolution so as to provide the maximum amount of tax reduction which the legislative circumstances would permit.



Mr. President, I feel that this explanation acquits me of any desire to want to surrender my position one whit, but that those who are fair enough to view the facts must realize that there was little or no alternative except to offer the amended resolution which I have sent to the desk.

Mr. KEAN. Mr. President, we all know that there are thousands of people out of work. We all know that almost every business in the United States is running "in the red," and that many of them are simply keeping on their employees in the hope of better times.

Four-fifths of the people, as has been said, voted that this promised reduction in the expense of the Government should be made. I was glad when I saw this resolution offered by the distinguished Senator from Maryland [Mr. TYDINGS] yesterday, because it gave some hope to the American people that Congress really was going to make the necessary reductions in the expenses of the Government to meet the revenue which they receive.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from New York?

Mr. KEAN. I yield.

Mr. COPELAND. The Senator has in mind, I am sure, the fact that, eager as the Appropriations Committee is to effect economies, it is limited always by the laws upon the statute books. Consequently, we can not hope for these economies until Congress itself has changed many of the laws. That was pointed out so well this morning in our discussion.

Take, for instance, the ocean mail contracts: They are contracts already made. They can not be violated by our Government. Those contracts were made in accordance with law. Those laws must be changed if we are to avoid making such contracts in the future. Of course, these particular contracts would still be in effect even if the laws were changed; but there are many laws which the Senator from Maryland has pointed out which are here, and until Congress has the courage to change them we can not hope to effect these great economies.

I agree with the Senator that the economies should be effected. We must do everything possible to bring them about; but until we have action by the Congress itself, we can not hope to do the thing which is so desirable and so necessary.

Mr. KEAN. Mr. President, I will say that the Senator from Maryland is a member of this committee, that he stated here on the floor yesterday that these changes might be brought about, and that I was glad when I saw this resolution.

I have voted in this body, whether it was proposed by a Democrat or from this side of the Chamber, for almost every reduction in every appropriation that has been brought up. I think I supported almost every motion of the Senator from Tennessee [Mr. McKELLAR] last year to reduce appropriations, one after another. I have stood for that right straight through, and I appreciate that reductions should and could be made.

We hear something about maintaining the standard of living of the American people. How can we maintain the standard of living of the American people when they can not get bread? How can we maintain the standard of living when they can not get any living? What we ought to do is to go through this bill and cut it, and we ought to cut the same way that the manufacturer has cut, the same way that the business man has cut. He has put in the knife and he has cut until he is getting down to the point where it makes no difference what his income is; his expenses are going to be somewhere near his income.

That is the reason why I object to the withdrawal of this motion, because I want to vote for it. I want to see it carried through, and I want to save this money to the taxpayers of the United States if I possibly can.

Mr. HALE. Mr. President, the Tydings resolution introduced yesterday, and the substitute resolution this morning introduced, provide for bringing down the appropriations of the Government to the amount of the estimated revenues.

The figures that have been given in debate refer not to appropriations but to expenditures; and, as the President explained in his Budget message, the two are not the same. In the expenditures for the year have to be taken into consideration carry-over appropriations from previous years, as not all of the appropriations that are made for one year are spent during that year.

The corrected figures as applied to these resolutions would be as follows:

The amount of the estimates for 1934 was \$4,403,178,032. Recently a document has come up from the Budget calling attention to the fact that this should have been reduced \$23,248,200, bringing the amount of the estimates for appropriations up to \$4,379,929,832. If we take out of that the public-debt retirement of \$534,070,321, we have left \$3,845,859,511. Then if we deduct the postal revenues of \$625,000,000, we have left \$3,220,859,511. If we deduct from that the cuts that have been made by the House of \$53,722,779.60, we shall have left \$3,167,136,731.40; and if we deduct from that the estimated revenues of the Government, which are \$2,949,100,000, a balance will be left of \$218,036,731.40, which represents the amount of the suggested cut.

This, of course, does not take into consideration the President's statement that the estimated revenues of the Government would have to be cut down this year from one to three hundred million dollars; and if we take as a mean average \$200,000,000—and it quite probably will be more—we shall have an appropriation deficit of \$418,000,000.

Mr. President, the purpose of this resolution is clear. If it means anything, it means that the Senate is to go on record as in favor of cutting down the appropriations to the estimated revenues; and when I say "the estimated revenues" we will have, of course, to add to the \$2,900,000,000 the post office revenues. Otherwise if the appropriations are cut down to the \$2,900,000,000 and later on the estimated postal revenues of \$625,000,000 should be received, we would have a \$625,000,000 surplus of revenue over appropriations, and nobody asks that.

If it is the purpose of the Senate to make these cuts—I do not believe it can practicably be done—I explained yesterday that the cuts if made will have to be made on a very small portion of the appropriations. I have taken the matter up with the Director of the Budget, and have asked him to send me a statement showing exactly what appropriations could be cut under existing laws and contract obligations. If, however, the Senate wants to make the reduction, it will undoubtedly do so.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HALE. I yield.

Mr. McKELLAR. What reduction is the Senator speaking of now?

Mr. HALE. The reduction in the appropriations of the amount by which the proposed appropriations exceed the revenues.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. HALE. Yes.

Mr. BYRNES. A motion is pending to enable the Senator from Maryland to withdraw the motion to recommit.

Mr. HALE. I understand.

Mr. BYRNES. The Senator is not in favor of recommitting this bill to the Appropriations Committee, is he?

Mr. HALE. I want to make it plain, Mr. President, that if the Senate is going to take the action contemplated in the resolution on the floor, and is going simply to butcher these bills by voting for amendments that come along that have not been considered in committee, and on which the judgment of the committee has not been exercised at all, I think we would do very much better to send the bill back to the committee.

I am not suggesting this for purposes of delay. I expressed myself yesterday in favor of getting through with the appropriation bills, and I called on the Republicans of the Senate to back me up in getting action on those bills.

Mr. BYRNES. Does not the Senator think it would be best to settle the pending question first, and then take up the other matter?



Mr. HALE. No; this is one of the most important bills; and if we go ahead and butcher this bill, it seems to me we can not have any comprehensive plan that will be intelligent. All of the appropriation bills will have to be considered if what is proposed in the resolution is to be done.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. HALE. I yield.

Mr. KING. As I understand the Senator's position, it is this, that there shall be an interdiction upon Members of the Senate from offering amendments to modify or reduce appropriations in the pending or any subsequent bill reported by the Committee on Appropriations.

Mr. HALE. No; not at all.

Mr. KING. And that if the Senate should adopt amendments, it would so butcher and mutilate the bill that it would be better to recommit it to the Committee on Appropriations, and have no amendments whatever made upon the floor of the Senate.

Mr. HALE. No; Mr. President, we can not prevent amendments on the floor, and I would not desire to do so; but if we go ahead with this bill now, and go ahead with the expressed, avowed purpose of the Senate to cut it down, I am afraid that every amendment offered that looks toward a reduction will receive support and will go through. I do not think we can intelligently go into the matter.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. HALE. I yield.

Mr. ROBINSON of Arkansas. The Senate can not pass upon an amendment in a general way. An amendment would have to be presented before the Senator himself would know whether he favored it or not. The Senator believes in economy, does he not?

Mr. HALE. Certainly I believe in economy, but I believe in reaching it intelligently.

Mr. ROBINSON of Arkansas. If an amendment would save a substantial sum the Senator would support it, even though the committee did not report it?

Mr. HALE. If it were reasonable; but I would want to have it shown to me that it was reasonable.

Mr. ROBINSON of Arkansas. Why does not the Senator let the issue come, since it has to come, and let us dispose of the amendments as they are presented?

Mr. HALE. Were the resolution adopted, I do not think there would be sufficient consideration of amendments that would be offered. I think there would be little committee support against any such amendments which reduced the appropriations without any consideration.

Mr. ROBINSON of Arkansas. Of what amendment is the Senator afraid there will be no consideration?

Mr. HALE. I can not tell what amendments will be offered. I imagine there will be a good many.

Mr. ROBINSON of Arkansas. That was just my suggestion—

Mr. HALE. If the Senate went on record as favoring this extreme economy, I am afraid Senators would vote in favor of almost every amendment that was offered.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. HALE. I yield for a question.

Mr. McKELLAR. The Senator knows that there are several amendments that were offered by me in the committee, and which will be offered on the floor of the Senate, all of them having the effect of reducing the appropriations carried in the bill.

Mr. HALE. I know that. I was not referring to the Senator's amendments; but any Senator could propose amendments, and, without any committee support back of the bill as reported by the committee, I am afraid that we would simply go wild.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. HALE. I yield.

Mr. KING. Does not the Senator feel that he is placing himself, as well as the Committee on Appropriations, in a position which neither he nor they would like to assume, namely, that they are so infallible that it would be better to

have bills referred back and let the committee consider proposed amendments than permit Senators to offer amendments upon the floor of the Senate and have them discussed and debated here?

Mr. HALE. Mr. President, I do not think we are infallible at all; but I think our duties as a committee are to consider the bills that are referred to us and consider all questions that have to do with the bills, including general instructions to cut down, and I think we have done our duty in the committee. Of course, we are not infallible, but at least I think we ought to have opportunity to pronounce judgment on the carrying out of such instructions.

Mr. ROBINSON of Indiana obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield to me to make a short statement?

Mr. ROBINSON of Indiana. I am glad to yield to the Senator.

Mr. McNARY. Mr. President, I appreciate the courtesy of my very sincere and able friend from Indiana.

I have no partisan feeling in the matter now before the Senate. Anyone who listened to the reading of the resolution offered yesterday by the Senator from Maryland might well have known that this situation later would arise. The surprising thing to me is that even Members of the Senate would amass themselves in sufficient number to authorize a roll call upon a proposition so impracticable.

It is perfectly absurd to offer on the floor of the Senate a motion which is unapproachable in fact. The amount of money proposed that might be appropriated would fly directly in the face of statutory obligations, and apparently could not be met. It was quite proper that the Democratic caucus this morning saw the situation and came in with a substitute. I think they have acted wisely.

I am in accord with the position taken by the eminent chairman of the Committee on Appropriations, namely, if the Senate is to operate on the pending bill by reducing the appropriations to figures which it would be impossible to justify, that would better be done in the committee rather than on the floor of the Senate.

The Committee on Appropriations has worked assiduously on the bill. It has taken a bill that was authorized by the Director of the Budget, approved by the President of the United States, approved by the House Committee on Appropriations, also confirmed and approved and voted as an appropriation bill by the House of Representatives, and later on authorized and reported to the Senate by the capable Committee on Appropriations.

Mr. President, for my part I am going to stand upon the judgment of the Committee on Appropriations. I am willing to vote to withdraw the proposal made by the Senator from Maryland, provided there is no intention of operating upon the bill here in the Senate and fashioning it in an impracticable way. Unless I have that assurance, I shall not vote to permit the resolution to be withdrawn.

If the amounts carried in the bill are to be reduced substantially, and if it is the purpose of the Democrats to move to reduce them beyond the possibility of attainment, I think the bill should go back to the committee and let the committee work upon the proposal.

I am curious to know—and I direct this inquiry to the able Senator from Arkansas, the leader on the Democratic side—whether, if his motion to withdraw the proposal made by the Senator from Maryland is carried, it is his intention then to submit the substitute?

Mr. ROBINSON of Arkansas. Mr. President, the Senator well understands, as I explained to him, that the substitute can not be submitted except by unanimous consent. The motion now pending is a motion to permit the Senator from Maryland to withdraw his resolution, but I am advised that no motion to recommit is to be made at this juncture.

The Senator may understand, as I have tried to explain to him privately, that the Senator from Maryland at the earliest opportunity is expected to call up his resolution, No. 327, and seek to amend it in conformity with the resolution that has been read into the Record this morning.



My thought is that we should go ahead with the appropriation bill and discuss amendments as they are presented and vote on them. It would not be possible to agree not to amend the bill. Senators have indicated their purpose to offer amendments, and it is well understood by members of the Committee on Appropriations that such amendments will be offered. Each amendment is expected to stand on its merits and be decided by the Senate.

If the Senate wishes to recommit the bill in spite of the fact that the Senator from Maryland has asked to withdraw his resolution and I have moved to permit him to take that course, it is entirely at liberty to do so. But we will not pledge ourselves to vote for appropriations in this bill, some of which involve scandals, as we believe there exists evidence to sustain. We will vote on the merits of these amendments, and Senators who are unwilling to take that course must pursue their own course.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. McNARY. I yield.

Mr. McKELLAR. Some of the amendments I have proposed to this bill were actually voted on in the committee, and I gave notice at the time, when they were voted down and out, that I would offer them on the floor of the Senate, and I can not make an agreement not to do so, under any such circumstances as that.

Mr. McNARY. Mr. President, so far as I know, no one has asked the Senator from Tennessee to make any formal agreement, or has asked the Senator from Arkansas not to offer any amendments. That does not bother me at all. I simply want to know—and I have the assurance of the leader on the Democratic side—that if this resolution is withdrawn it will not be followed up by the one which has been proposed to-day.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. McNARY. I said that I was happy to have that assurance.

Mr. ROBINSON of Arkansas. Mr. President, the Senator must not misunderstand me.

Mr. McNARY. I do not misunderstand the Senator.

Mr. ROBINSON of Arkansas. The pending motion is the motion to recommit with instructions. The resolution which the Senator from Maryland has offered as a substitute for Resolution 327 is an independent proposition. It can not be considered except by unanimous consent or upon motion. If the Senator from Maryland found it necessary to move to proceed to the consideration of his resolution, he would be at liberty to do so at any time, and I will not preclude him from it. The resolution is not offered as an amendment to the pending bill. It is offered as a declaration of policy to govern the Committee on Appropriations with respect to all of its deliberations. The pending motion is the motion to recommit, and it is that motion the Senator asks permission to withdraw, and his request was objected to. My motion if carried would leave him at liberty to withdraw his resolution.

Mr. McNARY. Mr. President, the Senator has made himself clear on that point. I have no illusions about the situation. I am willing to go forward and take up the pending bill and pass it on its merits, and meet every amendment as it is offered, but if we are to have an understanding of some kind that this bill shall be cut down beyond the limits to which it is possible and practicable to go, then I say that it ought to be referred to the committee, which has been the purpose of my remarks.

Mr. ROBINSON of Arkansas. Mr. President, in order that there may be no misunderstanding about it, I do not agree to any limitation whatever upon the right to amend the bill. The Senate will amend this bill just as it would any other appropriation bill.

Mr. McNARY. Mr. President, I am not asking any pledge from the Senator from Arkansas. I am saying that if we are to take up this bill and in the usual manner propose amendments and bring it to a conclusion by a vote, I am

for that policy. If we are going to carve it up here on the floor, that being the understanding amongst some, we had better have the work done in the committee.

The resolution, as it reads, if it means anything, means that we are to do the amending on the floor of the Senate, and I am suggesting that I am willing to operate along this line, to vote to withdraw the resolution offered by the Senator from Maryland [Mr. TYNINGS], then take up the bill and go forward with it and meet every amendment as it is offered. If that be the policy, I think we may have assurance that we will get along and work out a very good measure.

#### FOREIGN DEBTS

Mr. ROBINSON of Indiana. Mr. President, the American people have given an exhibition of patience during the past three years that I think is unrivaled among the nations of the world in all the history of the earth. They have been sorely tried. They have been heavily burdened. They naturally have been very unhappy and very much discontented. There has been slow starvation, malnutrition. They have gotten to the point now where their lot is almost unbearable. Throughout the world other countries have revolted against organized government during these three years. If my memory serves me correctly, 17 nations of the earth—no fewer than that—have changed their form of government, more or less violently. This has occurred during the past three years of world depression. But the American people have gone on patiently standing for law and order, and I think nothing quite so fine and patriotic as that has ever been seen in all the recorded history of time.

But I am wondering how much further we ought to tax the patience of the people. I am wondering if we dare forfeit completely the confidence of the American people in those chosen to operate their Government. I am wondering how far we dare go in flaunting the American people. Promises are made by public men and public women, too, and then apparently pledges are entirely forgotten. They go unfulfilled. Aye, to the other extreme too often we go, and do the opposite from that which was pledged would be done.

I am thinking now of the foreign debts. I am thinking also of economy. I know the people of the country want economy practiced in the Government. That is true. I also know that it is not economy to transfer \$11,000,000,000 of debts due the people of this country back onto their already-overburdened shoulders.

Mr. President, I know further that practically everybody in public life has gone up and down the country pledging the American people there would be no revision, to say nothing of cancellation, of the foreign debts. Because Members of this body and Members of the House at the other end of the Capitol knew the temper of the people, knew positively how the people felt about it, a joint resolution was passed unanimously, as I remember, to the effect that not only would there be no cancellation of the debts, but there would be no revision. That resolution stands to-day as the considered judgment of the Congress of the United States. So far as I know, no one has attempted to change that considered judgment. No representations have been made to the Congress that I know of with reference to any change. Therefore, the President elect of this Republic must know that is the considered judgment of the Congress of the United States, and therefore of the American people. Accordingly, what right has he forsooth to enter into negotiations with other governments looking to the doing of the very thing this resolution forbids?

Does anyone in this body know anything about rumored negotiations except what he reads in the newspapers? Has any message come to the Senate or the House from anyone in executive authority asking whether the Congress has changed its mind on this question? Does anyone in this body know or does anyone in the House of Representatives know whether or not these debtor nations have made representations to this Government as to any further conference with reference to revision or cancellation? I venture to say,



Mr. President, that not a Member of this body knows anything about it except what he has read in the newspapers. I say the situation is unusual to say the least.

Mr. President, I began by saying that I wonder how much longer the American people's patience will last with this Congress or anybody in authority, executive, legislative, or judicial, when their wishes are flaunted right and left.

I think this is a fair statement. There is not a Member of this body, with possibly one exception—there may be others, and I think the one exception probably altered his position but recently, if there be an exception at all—not a Member but has assured his constituents time and again ever since the resolution was adopted that there would be no change in policy; that the United States would not cancel the indebtedness; that it would not agree to any review of the indebtedness; that it would agree to no reduction of the indebtedness.

I have heard of some strange doctrines to the effect that we might trade the indebtedness—God save the mark!—to our debtors for some kind of an agreement they might make with us. That is a will-o'-the-wisp proposition which no man in this body can put in concrete form so it can be understood by the American people, so they may know what kind of a quid pro quo he expects to get. One proposal to bring Great Britain back on the gold standard is exploded by the Baltimore Sun, which says frankly it is deceptive. "Deceptive" is the word used. I think it is high time we should discontinue deceiving the American people. Some one is going to be held to account for it, possibly all those connected with the Government, unless there is more good faith exhibited to the people of the Republic.

The people have been patient, I repeat, these three years while other nations have tottered and fallen and gone the way of all flesh. We have seen them die, never to return to their pristine glory; but this Republic, due to the patience of its great people and their marvelous patriotism, has endured, though suffering hardships as no nation ever felt before. And now, a campaign scarcely over, ended last November, and here is this additional attempt to flaunt them again, to deceive them absolutely after we have all promised them there would be no deception, that the views of the Government would not change, that we should continue to stand for the policy adopted a scant year ago.

I wonder how the American people feel about these things? This morning I picked up the Washington Herald. Let me read from it. I am thinking of policy in its broadest sense. I am thinking of a patient people. I am thinking it is high time to keep faith with the people. Listen! Here is the headline, and then I quote briefly from the story:

BRITISH ENVOY CAUSES STIR BY VISIT TO FLOOR OF SENATE—LINDSAY GUEST OF SENATOR ROBINSON OF ARKANSAS—CALL IS "SOCIAL"—MEMBER OF PARTY ADMITS TALK OF SLASH

Europe's drive to cancel war debts and saddle the load onto the backs of the American people yesterday apparently was carried into the Halls of Congress.

Escorted by Senator ROBINSON of Arkansas, Democratic leader, Sir Ronald Lindsay, British ambassador, appeared on the Senate floor, in violation of Senate rules, and held discussions with numerous Senators. The rules, ordinarily strictly observed, do not extend the floor privilege to foreign ambassadors.

#### ROBINSON'S GUEST

The Marquis of Lothian, member of the British House of Lords, accompanied Lindsay. They had been ROBINSON's luncheon guests at the Capitol. As a member of a foreign parliament, the marquis was entitled to the floor privileges.

The British ambassador sat for a time in the chair of Senator TYDINGS (D.), of Maryland, while the latter was addressing the Senate.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. ROBINSON of Indiana. Then is given a list of the guests at the luncheon. I have no objection to any social function or any luncheon that might be given by any Member of this body. But I submit that a foreign ambassador, and especially one interested in what is being discussed, has no right on the floor of the Senate. Everybody knows his

chief interest is to find some way or other to have this Government cancel or reduce the indebtedness of his country to the American people.

I submit in the same breath that there are thousands of Americans who also are indebted, who can not pay their debts, who desire debt cancellation or revision or reduction applied to their own obligations; but let one of them attempt to get on the floor of the Senate and state his grievances and see how far he is permitted to go.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. ROBINSON of Indiana. If the situation were reversed and this were England and we were in England's position and our American ambassador entered upon the floor of the House of Commons, how long does anyone suppose they would permit him to remain there before he was ejected?

Mr. President, let any Senator or any Member of the body at the other end of the Capitol attempt to go on the floor of the House of Commons and see how far he gets. It is not permitted there. Aye, the Englishman dearly loves a lord, but Americans worship a lord apparently—worship him!—and so we let them come on the floor of the Senate, rule or no rule.

I yield now to the Senator from Arkansas, although he refused to yield to me a day or two ago.

Mr. ROBINSON of Arkansas. I thank the Senator from Indiana. The British ambassador, Sir Ronald Lindsay, was invited onto the floor by myself. That was my mistake. I did not refresh my memory as to the rules. I was under the impression that foreign ambassadors were entitled to the privileges of the floor, as, of course, are members of foreign national legislatures. I do not think that the British ambassador should be censured. I accept without complaint whatever censure the Senator from Indiana sees fit to impose upon me for an unintentional disregard of the rules. The subject of international debts was not even mentioned, much less discussed, on the occasion of the visit of the two distinguished Englishmen who have been referred to. I thank the Senator for yielding.

Mr. ROBINSON of Indiana. Mr. President, the headline from the Washington Herald reads:

Member of party admits talk of slash.

I do not know whether there was any talk of a slash or not. I am simply giving that from the newspaper. But, Mr. President, what difference is there between lobbying, though it be in high circles, in the interest of having this country cancel the British debt and the work that is being done by any other lobbyist outside the Chamber? What difference is there so far as the ultimate result attempted to be accomplished is concerned?

I am glad to hear the Senator from Arkansas give his explanation to the Senate and the country as to why the British ambassador was on the floor. I have nothing against him, nor against Great Britain; indeed, I admire that great nation, which has stood foursquare against all the winds that blew for the last 700 years; but, Mr. President, my loyalty and the loyalty of every Member of this body belong first to the United States of America, to our people—our people, sorely burdened at this moment; our people, to whom within the last year we have all pledged there should be no debt reduction, to say nothing of debt cancellation. There our first loyalty lies, and there, first, my loyalty shall be discharged.

There is much I could say, Mr. President, on this subject. It does seem to me in these latter days that some of our public officials have lost their sense of proportion. Do they not know how the people feel? Would they continue to prod and goad the American people until things that now seem unthinkable to us might materialize? Have we no sense of tact, of propriety?

Mr. President, I think foreign debtors ought to have no misapprehension as to the American position on this question. I think they ought not to be misled by what the President elect suggests to-day, or by any emissary he may



have abroad in foreign capitals assuming or undertaking to represent him. Therefore I have prepared a resolution in the interest of the American people to put our foreign debtors on guard, that they may know that Congress meant what it said when it adopted the resolution a scant year ago. I will read the resolution, and I am wondering if anybody can take exception to it:

*Resolved, etc.—*

Whereas it is currently reported and not denied—

All we have is current reports; we have nothing official; all we can do is get our information from the newspapers or from somebody who may be informed and who is kind enough to advise us. The resolution continues:

Whereas it is currently reported and not denied that foreign countries indebted to the United States have sought and are seeking conferences with officials of the Government of the United States for the purpose of reconsidering their indebtedness to the United States; and

Whereas the Congress of the United States has declared a definite policy concerning such indebtedness, and desires that said foreign countries should not be under any misapprehension as to the definite position of the United States on this question: Therefore be it

*Resolved by the Senate and House of Representatives of the United States in Congress assembled,* That the said definite policy is hereby reaffirmed in the language of section 5, known as House Joint Resolution 147 (Pub. Res. No. 5, 72d Cong.), approved, December 23, 1931, to wit:

It is hereby expressly declared to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner canceled or reduced; and nothing in this joint resolution shall be construed as indicating a contrary policy, or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

Mr. President, I send the resolution to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The question is, Shall the Senator from Indiana now be given permission to present the resolution?

Mr. ROBINSON of Arkansas. Mr. President, reserving the right to object, I do not think it is possible now for this Congress to dispose of the subject matter of the resolution presented by the Senator from Indiana. The declaration in existing law to which the Senator refers stands uncontradicted in so far as the Congress is concerned, and it will continue to be the expression of policy on the part of the Congress until a contrary or a conflicting declaration shall be adopted.

The Senator from Indiana a few days ago, in justification for his very remarkable address, for his criticism not only of the President but of the President elect, declared that a gentleman by the name of Bullitt had appeared at certain places in Europe and had secretly proclaimed himself the emissary of the President elect, who had given instructions to keep the mission secret. It was on the basis of that unauthenticated newspaper report that the Senator from Indiana undertook to criticize and condemn both the President of the United States and the President elect for their alleged policy respecting the national debt.

The Senator from Indiana was so prejudiced, if I may use that term without offense, that he would have had the Executive decline to hear representations made by the foreign governments which are interested in the subject. He would insist that a declaration by the Congress stopped the Executive from the exercise of his power and right to conduct international affairs.

Last night there was flashed the news that the President elect, Mr. Roosevelt, from Warm Springs, Ga., had declared that there was no foundation whatever, in fact, for the declarations put into the RECORD by the Senator from Indiana [Mr. ROBINSON]; that Mr. Bullitt had no authority from him whatever, direct or indirect, to carry on negotiations with anyone, and that any statement to that effect was unwarranted and unauthorized. Recognizing fully the right of the Senator from Indiana to raise any issue that he chooses to raise on this subject, I respectfully say to him that it is not a matter that can fairly be prejudged; that we can not now by a declaration or the repetition of a previous declaration made by this Congress estop a future Congress from giving such consideration to this subject as it

believes the subject deserves; nor can we estop the President and the President elect, for that matter, from performing their functions in the manner which the Constitution authorizes.

I have no objection to the Senator from Indiana introducing, out of order, the resolution which he has presented; but I shall object to its present consideration, and will, on a proper occasion, move its reference to the Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection to the presentation of the joint resolution? The Chair hears none.

The joint resolution (S. J. Res. 244) reaffirming the policy of the Congress concerning the indebtedness of foreign countries to the United States was read twice by its title and ordered to lie on the table.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 14436) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, in which it requested the concurrence of the Senate.

#### HOUSE BILL REFERRED

The bill (H. R. 14436) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

#### TREASURY AND POST-OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas that the Senator from Maryland be permitted to withdraw his motion to recommit.

Mr. FESS. Mr. President, there are several Senators absent who want to be present, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Keyes	Sheppard
Austin	Davis	King	Shipstead
Bailey	Dickinson	La Follette	Shortridge
Bankhead	Dill	Lewis	Smith
Barbour	Fess	Logan	Smoot
Barkley	Fletcher	McGill	Stelwer
Bingham	Frazier	McKellar	Stephens
Black	George	McNary	Swanson
Blaine	Glass	Metcalf	Thomas, Idaho
Borah	Glenn	Moses	Thomas, Okla.
Bratton	Goldsborough	Neely	Townsend
Brookhart	Gore	Norbeck	Trammell
Bulkeley	Grammer	Norris	Tydings
Bulow	Hale	Nye	Vandenberg
Byrnes	Harrison	Oddie	Wagner
Capper	Hastings	Patterson	Walcott
Caraway	Hatfield	Pittman	Walsh, Mass.
Carey	Hawes	Reed	Walsh, Mont.
Connally	Hayden	Reynolds	Watson
Coolidge	Howell	Robinson, Ark.	Wheeler
Copeland	Hull	Robinson, Ind.	White
Costigan	Johnson	Russell	
Couzens	Kean	Schall	
Cutting	Kendrick	Schuyler	

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] that the Senator from Maryland [Mr. TYDINGS] be permitted to withdraw his motion to recommit with instructions.

#### LOANS TO RAILROADS BY RECONSTRUCTION FINANCE CORPORATION

Mr. COUZENS. Mr. President, I send to the desk a joint resolution, which I desire to have read, and then I wish to make a few comments upon it.

The VICE PRESIDENT. Is there objection to the reading of the joint resolution? The Chair hears none.



The joint resolution (S. J. Res. 245) to suspend the making of loans to railroads by the Reconstruction Finance Corporation, was read the first time by its title, and the second time at length, as follows:

*Resolved, etc., That no loan to any railroad or railway, or to a receiver of a railroad or railway, shall be made or approved by the Reconstruction Finance Corporation until Congress shall otherwise provide.*

Mr. COUZENS. Mr. President, it is apparent that large numbers of the railroads are in distress. It is equally apparent that we can not, with the taxpayers' credit, maintain the capital structure of many of the railroads that are in difficulties.

There is pending before the Reconstruction Finance Corporation now an application for a loan of \$3,800,000 for the Missouri Pacific which they want by February 1, 1933. There is another application for another \$3,000,000 loan on March 1, 1933. They have maturities coming due on May 1, 1933, of \$34,000,000. It is perfectly apparent to me, at least, that the Federal Government can not maintain that debt structure; and unless some form of legislation is set up for reorganization of the capital structure of many of these railroads, or unless they set up some voluntary system of reorganization and recapitalization, they will have to go through receivership.

It is perfectly plain that the credit of the taxpayers can not be used indefinitely; and yet we have the house of Morgan and the house of Kuhn, Loeb & Co. coming to the Reconstruction Finance Corporation and begging for these loans. They attempt to assure the Reconstruction Finance Corporation that the security is quite adequate, and yet they will not themselves make the loan.

The president of the American Bankers' Association recently said, "What we need is a loosening up of credit." I admit that; and yet, when it comes to these bankers loosening up credit, they refuse to act. Not only do they urge upon a governmental agency that it make these loans but they assure the governmental agency that the security is adequate. If such is the case and the bankers agree that what we need is a loosening up of credit, I submit that it is time for the Federal Government to stop making the loans and leave it up to the bankers to take care of what they themselves claim is necessary to be done.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Florida?

Mr. COUZENS. I yield.

Mr. FLETCHER. Is it not true that the Missouri Pacific has already obtained loans?

Mr. COUZENS. I understand they have obtained loans somewhere to the extent of \$14,000,000, much of which went to the relief of Kuhn, Loeb & Co. and the Morgan interests.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. COUZENS. I do.

Mr. BORAH. I desire to ask the Senator if he can advise us the nature of those obligations falling due to the extent, I believe the Senator said, of \$34,000,000.

Mr. COUZENS. Thirty-four million dollars on May 1; \$3,000,000 on March 1; \$3,800,000 on February 1.

Mr. BORAH. What is the nature of the obligations? Are they securities which these bankers hold?

Mr. COUZENS. No one knows who holds the securities. The loans are for the purpose of paying the interest and maturities of the securities.

Mr. BORAH. But no one knows who holds them?

Mr. COUZENS. No one knows who holds them.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. COUZENS. I yield.

Mr. BARKLEY. Did the Senator say that the Reconstruction Finance Corporation has loaned about \$14,000,000 to the railroads to date?

Mr. COUZENS. If my memory serves me correctly, that is the amount.

Mr. FLETCHER. To that one road?

Mr. COPELAND. That is merely to one road.

Mr. BARKLEY. That seems to me to be rather a small amount, considering the whole amount of credit available to the Reconstruction Finance Corporation. I had the impression that they had loaned more money than that.

Mr. COUZENS. I am afraid I did not understand the question of the Senator.

Mr. BARKLEY. I asked the Senator whether he stated a while ago that the Reconstruction Finance Corporation had made total loans of \$14,000,000.

Mr. COUZENS. Oh, no; I was referring only to the Missouri Pacific. I was asked by one of the Senators how much the Missouri Pacific had borrowed, and I replied, some \$14,000,000. The Reconstruction Finance Corporation has loaned in the aggregate somewhere between two hundred and fifty and three hundred million dollars to the railroads.

Mr. BARKLEY. About \$280,000,000, I understand. Is this joint resolution directed at any particular loan?

Mr. COUZENS. Oh, no. There are other railroads that are going to apply from time to time; and, of course, there probably will be a greater inrush of applications for loans between now and July 1 than there ever has been, because that time is the time when these bonds usually mature.

Mr. BARKLEY. Will the Senator advise us the amount of applications by railroads now pending before the Reconstruction Finance Corporation?

Mr. COUZENS. I can not do that, because they first go to the Interstate Commerce Commission for approval and then are sent to the Reconstruction Finance Corporation. I have no information as to the amount of loans pending.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I yield.

Mr. COPELAND. When the previous loan of \$14,000,000 was presented to the Interstate Commerce Commission, was there not a good deal of criticism regarding pressure which was brought to bear upon the Interstate Commerce Commission to approve that loan?

Mr. COUZENS. That is what the record shows, and that is what the dissenting opinion of Commissioner Eastman shows.

Mr. COPELAND. When they were before the Appropriations Committee last spring I asked the question whether or not the Interstate Commerce Commission had been coerced into approving the loan. Commissioner Eastman was on the stand. He said, "Frankly, I voted against the proposal, but I do not like the word 'coerced'"; so I followed it up by this question: "Would the commission have approved the loan except for the appeal which was made and the urging of the Reconstruction Finance Corporation?" and he said, "No."

Therefore, I reached the conclusion that the Interstate Commerce Commission was forced into a recommendation. Has it been forced into a similar recommendation as regards these further loans?

Mr. COUZENS. I am unable to say, because the Senator will recognize the difficulty of ascertaining what motives or what influences direct these conclusions. I perhaps would not like the word "coercion"; but certainly influence was used to secure these loans. Whether it was coercive influence or otherwise, I can not tell.

Mr. COPELAND. As I understand the matter, the Interstate Commerce Commission has not yet acted on this particular application.

Mr. COUZENS. I am not informed as to whether they have acted on any of these later applications from the Missouri Pacific. I know that they are pending, and some of them are pending before the Reconstruction Finance Corporation; and I assume that at least one or two of the applications have already been acted upon by the Interstate Commerce Commission.



Mr. COPELAND. What does the Senator recommend that we should do in the matter?

Mr. COUZENS. My recommendation is that we should suspend these loans until we have considered and taken action on a bill that is already pending in the House, H. R. 14359, known as the bill to amend the bankruptcy act. Perhaps if that bill is enacted it will act as a buffer until this situation can be straightened out. In the meantime I am unwilling, unless the Congress authorizes it, to have the Reconstruction Finance Corporation continue making these loans on the credit, at least, if not the ultimate payment, of the taxpayers of the United States.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Utah?

Mr. COUZENS. I yield.

Mr. KING. From the information which the Senator has, is he of the opinion that if the bankruptcy bill to which he refers shall be passed some of these railroads will avail themselves of the provisions of that measure and go into the courts and have a receiver appointed, or have the machinery that that bill provides put into operation, in order that they may suspend payments and continue operations until the skies shall be cleared a little of these clouds?

Mr. COUZENS. That is the information I have, Mr. President, that if this bill is passed some of the railroads will avail themselves of the privileges granted under it.

Mr. KING. May I ask another question—and I apologize to the Senator for asking this question. Does the Senator believe that the passage of that bill will be of advantage to the railroad companies and will obviate the necessity, if there shall be a necessity, of further applications to the Reconstruction Finance Corporation for loans?

Mr. COUZENS. My judgment is that there will be no necessity for further applications for loans from the Reconstruction Finance Corporation. I want to qualify that, however, by saying that while I have consulted with some of those who have been drafting this bill as it applies to the railroads I have not seen the final draft, nor do I know what they have finally concluded; but it seems to me that they are working in the right direction. Whether or not the bill when it comes to the Senate will meet my views I am unable to say, but I want to state that I am giving consideration to it as the bill has been drafted.

Mr. KING. Then, Mr. President, as I understand the Senator, he believes that a measure along the lines he has indicated—that is, a bankruptcy measure or a measure containing provisions similar to that which is now pending—would be of advantage in the railroad situation.

Mr. COUZENS. It seems to me it would be; yes.

Mr. KING. The Senator believes that the passage of the pending resolution would hold the matter in abeyance until such legislation was secured?

Mr. COUZENS. That is one of the purposes for introducing the resolution, because I can not say whether the measure proposing to amend the bankruptcy act will be approved at this session or not. But certainly I do not, as chairman of the Committee on Interstate Commerce, want to stand by and see what is going on without at least trying to enlighten the Senate as to the conditions as I see them and stop a rush for loans which might take place before the enactment of the measure.

Mr. KING. If the Senator will pardon me, may I say in conclusion that I think it would be wise to support any resolution or measure that would throw obstacles in the way of a policy which must eventuate in the Government of the United States owning a lot of bankrupt railroads? As far as I am concerned, I should be very sorry to see more money loaned to the railroads, fearing that we may have a lot of broken-down railroads on the hands of the Federal Government. If the bill which the Senator has in mind shall afford relief, and I believe that it will, I should be very glad to see that bill given some sort of precedence here in the Senate in order that it may be enacted into law as soon as possible.

Mr. DILL. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. DILL. I wanted to ask the Senator whether I correctly understood his statement about the Missouri Pacific. Is the loan now being asked to pay the interest on the bonds that will fall due in May?

Mr. COUZENS. No; the application now immediately pending for action is for the loan of \$3,800,000.

Mr. DILL. To pay the interest on other bonds?

Mr. COUZENS. Yes.

Mr. DILL. But those bonds do not fall due in May?

Mr. COUZENS. No.

Mr. DILL. It is another set of bonds that fall due in May?

Mr. COUZENS. Another set; \$34,000,000 of bonds fall due May 1.

Mr. DILL. Does the Senator know the selling price of the bonds on which this loan is to pay interest?

Mr. COUZENS. I have talked with a member of the Reconstruction Finance Corporation this morning, and, as I recall it, he said that they were selling for \$25 and that they had been selling for as high as \$95.

Mr. DILL. But they are now selling for \$25?

Mr. COUZENS. Yes.

Mr. DILL. Which means that this interest would be 20 or 25 per cent upon the price for which they now can be purchased?

Mr. COUZENS. That is true.

Mr. DILL. I want to ask another question: Under the bankruptcy act that is proposed, will the Government come in on the same basis with other creditors in having its claims scaled down? Will the Reconstruction Finance Corporation come in on the same basis with private creditors?

Mr. COUZENS. I do not know whether there is any specific provision in the act covering that or not, but I want to point out the situation. If the Reconstruction Finance Corporation, for example, have a lot of junior securities—and I say that because I think perhaps the senior securities are good—if the Reconstruction Finance Corporation has a lot of junior securities, which they have for a number of loans, and these junior securities are scaled down under this process proposed in the legislation, of course, that security will be scaled down; but, inasmuch as in most cases they have an excess amount of the loan, it is possible that they will not be scaled down sufficiently to affect the Reconstruction Finance Corporation loan.

Mr. McKELLAR. Mr. President, will the Senator from Michigan yield to me?

Mr. COUZENS. I yield.

Mr. McKELLAR. Would the resolution of the Senator prohibit loans to all railroads hereafter?

Mr. COUZENS. Until further action of Congress.

Mr. McKELLAR. I was wondering whether it would not be better to confine the operations of the measure to those roads which are in the condition of the one of which the Senator has just spoken, the Missouri Pacific, I believe it was.

Mr. COUZENS. Mr. President, I hardly see how we can enact legislation applying to one railroad, or could specify a particular condition, because the conditions are changing from day to day.

Mr. McKELLAR. Yes; but it would seem to be very hard on those railroads which might need the money, and had good securities to offer, to be denied any privileges under the act because some railroads did not have securities. I am just wondering about it; I am not expressing an opinion.

Mr. COUZENS. I want to say this, that if the bankers of the country believe, as they claim to believe, that instead of inflation we need a better flow of money and a better flow of credit, then we will not get it if they do not themselves practice what they preach. The real difficulty is not the fact of inadequate currency but the trouble is with the velocity of the currency we have, which has slowed down to such a point that it is not working. In other words, if the velocity of the currency is stopped, merely adding to the currency does not help the situation. What is necessary is



that the currency that we have is speeded up; in other words, the velocity increased so that a dollar will be used ten or twelve times a year instead of only once a year.

Mr. MOSES. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. MOSES. The Senator has spoken of future action by Congress. Does he have in mind general legislation, or does he have in mind that each application should come to Congress and be passed on by Congress?

Mr. COUZENS. Oh, no; I mean that the whole question of loaning to railroads, or railroad receivers, would be stopped until Congress took some further action.

Mr. MOSES. I am trying to ascertain whether the Senator has in mind a piece of general legislation which should determine the matter in which the Reconstruction Finance Corporation should function in connection with these loans, or whether the Senator has in mind that every application shall be sent up to be passed upon by Congress.

Mr. COUZENS. Certainly not the latter. I only used the Missouri Pacific as an instance that was imminent at this time. I do not now ask the Senate to pass upon the Missouri Pacific loan, or any other loan. What I am trying to do is to suspend the making of such loans until Congress can determine how much farther, if at all, we shall go in making railroad loans.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. KING. I will ask the Senator if it is not a fact that at least \$8,000,000 of the loan which was made by the Missouri Pacific a short time ago was immediately paid to J. P. Morgan & Co.?

Mr. COUZENS. If my memory serves me correctly, it was somewhere between five and six million dollars. In other words, as I understood it at the time—and it was some months ago, during the last session of Congress, in fact—the Reconstruction Finance Corporation made a loan to the Missouri Pacific, which paid off half of the loan to Morgan and Kuhn, Loeb & Co., and Kuhn, Loeb & Co. and the Morgans carried the other half.

Mr. KING. The amount required now to meet accruing interest would, in part at least, be paid to the same banking companies?

Mr. COUZENS. I do not want to make any statements not justified by the facts. I do not know who owns these securities. It may be that those companies own a lot of them, and it may be that they own none. But we do not know, as a rule, as a matter of fact, who owns the bonds, because they are most always bearer bonds.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. WHEELER. Has the Senator introduced a resolution to stop all further loans by the Reconstruction Finance Corporation to the railroads?

Mr. COUZENS. I have.

Mr. WHEELER. I was wondering why the Senator did not have the resolution referred to the Committee on Interstate Commerce, of which he is chairman, and perhaps hold a hearing on it and get the actual facts as to just exactly what is likely to happen with reference to the matter. Then we would be in much better position, it seems to me, to determine what action we should take.

Mr. COUZENS. The resolution, if it is to go to a committee, properly belongs to the Committee on Banking and Currency, which passed upon the Reconstruction Finance Corporation act in the first instance.

Mr. WHEELER. I would not think so.

Mr. COUZENS. It is a banking matter; and if the Senate believes it should go to the Committee on Banking and Currency, I personally shall not resist such reference.

Mr. SMITH. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. SMITH. May I suggest to the Senator that this matter involves a proper knowledge as to who owns the securities, and what in all probability is the financial ability of the holders to still further carry them, because they are

securities of the railroads; and, if rumor is true, or the fact should be, that heretofore when a loan was made by the Reconstruction Finance Corporation, which took these securities in lieu of the loan, the cash went to the banks that were holding the loans, it might be very instructive to some of us to know who owns these securities and in what financial condition they are, and whether we are justified in using the credit of the Government in holding certain securities when we are simply taking the risk that would be involved in connection with the securities and giving those who hold them the actual cash.

It seems to me that the Committee on Interstate Commerce, dealing with railroads and railroad securities and the financial conditions that arose, would be the proper committee for it to go to in order for us to ascertain the facts.

Mr. COUZENS. Mr. President, with all due respect to the Senator from South Carolina, I want to point out the difficulty of trying to find out the ownership of these bonds. As I pointed out previously, they are bearer bonds, and they are transferable at any time without any record in the hands of the trustee under the mortgage, or any other place. Let us take the Missouri Pacific loan. Perhaps there are a million separate institutions or individuals holding their bonds, and it would be impracticable to find out the financial condition of the individual owners of the bonds. It is quite probable that many of them are in the hands of insurance companies, and we would have to call in all the insurance companies to find out whether they held any, and so on down the line. While I know of the Senator's interest, I believe the suggestion that we should find out who owns these bonds is wholly impractical.

Mr. SMITH. While we might not find out the immediate owners of the bonds, we could at least find out the condition of the road, so as to know whether or not the loans which are asked for ought to be allowed.

Mr. President, it seems to me a rather curious thing that we reached the point just a few months ago where we passed an act affording a credit of \$2,000,000,000, primarily to aid the railroads over the present crisis, and, of course, we included specifically railroads, insurance companies, banks, and trust companies; the last three being included undoubtedly because in the minds of those who drafted the legislation insurance companies and banks and trust companies were large holders of the securities of the railroads. Therefore, for all practical purposes, we allowed a credit, through the Reconstruction Finance Corporation, of approximately \$2,000,000,000, to take care of the securities of railroads which might be in distress. Now, should we stop that, we might not be able to reach the purpose the Senator has in mind.

Mr. COUZENS. Mr. President, of course, nearly all of the authorization under the Reconstruction Finance Corporation has been absorbed. I am not assuming to take this action because of loans to banks or trust companies or insurance companies. I do not know whether a continuation of the loans to those institutions is justified or not. But as chairman of the Committee on Interstate Commerce I have felt some obligation in the matter, particularly because members of the Reconstruction Finance Corporation, during nearly all the time since we passed the act, have been conferring with me from time to time about loans to railroads. So in effect I have been much closer in touch with the railroad situation and with railroad loans than with any other loans. I am not trying to assume any responsibility for loans to other institutions than railroads, and if there is any other Member of Congress who believes, and has sufficient knowledge on which to base his belief, that the Reconstruction Finance Corporation should stop loans to other agencies, I would be very glad to listen. I am only asking the Senate to listen to me because of my familiarity with the railroad situation. I want to say to the Senator from South Carolina that I am not one of those who do not change their minds. I am perfectly willing to change my mind if after a year's experience—and on February 2 it will be one year since we passed the Reconstruction



Finance Corporation act—if during that time I am convinced that we made an error in the first place.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I yield.

Mr. COPELAND. There is no question, I take it, that what the Senator proposes is a reversal of our attitude as regards the functions of the Reconstruction Finance Corporation?

Mr. COUZENS. I would not say that. I would say it is a suspension of the activities which we authorized a year ago. I do not propose that we should not continue making the loans at some other time. It may be upon investigation and further study that we would reinstate the authority. My resolution only asks for its suspension and not for its revocation.

Mr. COPELAND. Perhaps it is wise—and I ask this opinion of the Senator to see if he agrees with me—having had a year's experience with the Reconstruction Finance Corporation, to have the appropriate committee of the Senate meet the officials of that body to exchange views as to whether the work has been successful, whether it has accomplished the purpose Congress had in mind, and whether it is wise to continue the operations and policies which have prevailed. Would the Senator think that a wise thing to do?

Mr. COUZENS. I should think that would be a very wise procedure, and I for one, as a member of the Banking and Currency Committee, would be glad to participate in any such inquiry.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Florida?

Mr. COUZENS. I yield.

Mr. FLETCHER. I have nothing against the Missouri Pacific Railroad.

Mr. COUZENS. Neither have I.

Mr. FLETCHER. I simply want to call attention to an article recently published entitled, "Leaders Show Keen Interest in Securities." In that article the common stock of the Missouri Pacific Railroad is quoted at \$3 per share, while the peak in 1928 and 1929 was \$101. Missouri Pacific preferred is quoted at \$5 a share, whereas the peak in 1928 and 1929 was \$149. That is the latest information I have on the subject as to their shares of stock.

Mr. COUZENS. Mr. President, in view of the discussion, perhaps it is proper to have the resolution referred to the Committee on Banking and Currency, because certainly I am not desirous of taking any precipitous action. I do believe, however, it should be prompt action. Therefore I ask that the resolution be referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. LEWIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. COUZENS. I yield.

Mr. LEWIS. I would like the opinion of the able chairman of the Interstate Commerce Committee respecting loans to railroads. Are not they getting in a position where those large banking houses and concerns who sell such securities are holding out to the public the invitation to buy those securities on the theory that if the roads are not able to pay the interest the Government will do so?

Mr. COUZENS. I have no direct information, but I have no reason to doubt, in view of my knowledge of the methods of salesmanship indulged in by those houses, but that is true.

Mr. LEWIS. It seems to me there lies dormant a very serious evil and danger.

Mr. COUZENS. I think it is quite apparent, since we have had a year's experience since we enacted the law, that if we do not profit by that experience certainly Congress is not doing its duty. My understanding is that we

do profit and should profit by experience. If the experience has not been sufficient to indicate the necessity of passing the resolution or taking some similar action, then we should not do so. But my observation is that the Government has gone about as far as it can to maintain the debt structure of these financial institutions which we took care of in February, 1932.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Montana?

Mr. COUZENS. I yield.

Mr. WHEELER. I hope when the resolution goes to the Committee on Banking and Currency they will ascertain just what securities the Reconstruction Finance Corporation have for the loans they have made. I think it would be very valuable to the Congress to determine that fact, because my information is—I am not sure how reliable it is, but it was given to me—to the effect that the securities which the Reconstruction Finance Corporation has taken for the loans have so dwindled in value that as a matter of fact the Government would at the present time lose a tremendous amount of money if it became necessary to realize on the securities.

Just how far, as a matter of fact, this legislation was helpful to the average debtor in the country must be apparent at the present time. The small debtor is getting no relief whatsoever, but concerns like Kuhn-Loeb and the house of Morgan and similar concerns now unload their securities on the Reconstruction Finance Corporation. It seems to me that the whole subject ought to be gone into very thoroughly, so that the Congress of the United States will be able to know whether it should continue this policy which we put into effect something like a year ago. I hope the Senator, as a member of the Banking and Currency Committee, will see to it that that is inquired into very thoroughly.

Mr. COUZENS. I shall be very glad to do so.

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that the Reconstruction Finance Corporation has made about 5,000 loans to banks?

Mr. COUZENS. That is true.

Mr. THOMAS of Oklahoma. Is it not a further fact that of these 5,000 banks some 500 have since failed, after the loans were granted?

Mr. COUZENS. I have no information as to that.

Mr. THOMAS of Oklahoma. I will state that that is true. Let me ask the Senator another question. Is it not a further fact that frequently the Reconstruction Finance Corporation makes a loan to a bank and that frequently on the same day the loan is granted and more frequently within a few days thereafter the bank receiving the loan fails? Does the Senator have any knowledge about that situation?

Mr. COUZENS. I have heard of cases of that sort. I understand there has been perhaps a very reprehensible case of a loan to a concern in New Orleans, which was brought about by certain influences, and as soon as they got the money or immediately thereafter they failed.

Mr. THOMAS of Oklahoma. If that policy prevails, is it not the opinion of the Senator that that defeats and damages irreparably the depositors and stockholders of the failed bank in that the Reconstruction Finance Corporation requires that their loans shall be amply secured? Their policy appears to be to require the borrowing bank to deposit its best collateral to get the loan, and the moment they make the loan the Reconstruction Finance Corporation has all of the good assets of the bank, the loan is made, and the money is paid to some larger bank oftentimes, so that when the borrowing bank closes the Reconstruction Finance Corporation has all of the good assets of the bank, some big bank has all the money covered by the loan, leaving the depositors and stockholders with nothing. Is not that true?

Mr. COUZENS. So far as I know the Senator is in part correct. The Senator, of course, will recognize that if a



little bank owes a big bank, the big bank is entitled to its money before the depositor is, because it usually has the collateral of the bank. It is quite true that when the Reconstruction Finance Corporation makes a loan to a bank it takes all of its best securities. Then if there is a failure of course the Reconstruction Finance Corporation is a preferred creditor and, because it holds the preferred securities, the depositors and other creditors are subordinate to the Reconstruction Finance Corporation.

Mr. THOMAS of Oklahoma. Does not the Senator think that instead of that policy operating to the benefit of the depositors of the locality and the stockholders, it works to their detriment?

Mr. COUZENS. When the bank fails; yes. The Senator is undoubtedly correct.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield further to the Senator from Montana?

Mr. COUZENS. I yield.

Mr. WHEELER. The Senator called attention to one instance in Louisiana. I would like to call attention to one in Nevada where, I understand, they loaned a group of chain banks something over \$1,000,000, and within a very short time thereafter the banks closed. It seems to me that when the Reconstruction Finance Corporation loans money and then inside of a week or two weeks the borrowing institution closes its doors, there must be negligence some place on the part of the Reconstruction Finance Corporation.

I would also like to call attention to reports I am getting from my home State and from the entire Northwest with reference to money being loaned by the Reconstruction Finance Corporation to finance corporations. Representatives of the finance corporation go around with applications in their hands and see the farmers. If a farmer owes the chain bank some money, they get that farmer to take his loan from the Reconstruction Finance Corporation and thereby relieve the chain bank. That is a notorious situation out there, as I think the Senators from North Dakota and other Northwestern States will agree.

Mr. COUZENS. The information I have from the Senators from North Dakota is to the effect that the bankers, not particularly the finance companies but the bankers, go around and say to the farmer, "If you pay us we will let you borrow from the Reconstruction Finance Corporation." That is done through the fact that the bankers are the agents in those territories for the Reconstruction Finance Corporation.

Mr. President, before I take my seat I want to comment on another matter. When your special committee investigating the Reconstruction Finance Corporation made its report, we did not recommend that the loans made from February 2 to July 21, 1932, be made public, because under the act at that time they were not authorized to be made public. Since then, as a result of a resolution passed in the House of Representatives, the Reconstruction Finance Corporation has filed a report with the House and the House has made it public. That in my opinion justifies me in saying what I am going to say with respect to the information your committee received.

When the reports were filed with the committee, they were filed as of July 15, because that was about the time we adjourned and that was all we could ask for. The reports filed by the Reconstruction Finance Corporation at that time showed loans to the Central Bank & Trust Co., of Chicago, otherwise known as the Dawes bank. They had received an authorization for a loan of \$90,000,000. The authorization was made as of June 25 and June 27. The report shows that at that time there was not disbursed \$50,000,000, but that \$40,000,000 had been disbursed; that of the \$40,000,000 which had been disbursed \$3,195,719 had been paid, leaving a net indebtedness to the Reconstruction Finance Corporation of \$36,804,280.

In that connection I may say that the Reconstruction Finance Corporation officials assured me personally—I do not know whether they did any of the other members of the committee—that they had \$120,000,000 of securities.

Now the report comes to the House of Representatives. I sent my secretary over to get the record. It has not been printed. It shows a divergence in the reports. I do this because press reports last night were not in line with the report your committee received. The report received as the result of a resolution introduced by Representative HOWARD shows that the amount disbursed was \$90,000,000, that there has been a repayment of \$23,576,238, and that there is outstanding at this time \$66,423,761; while the report of the committee shows the amount outstanding at the time your committee made its report was only \$36,804,000. I wanted to make that statement to the Senate because of the divergence in the reports made to the respective houses.

Mr. BLAINE. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Wisconsin?

Mr. COUZENS. I yield.

Mr. BLAINE. Does the report disclose whether the securities held by the Reconstruction Finance Corporation embrace a very large amount of Insull securities?

Mr. COUZENS. In the report which your committee made it pointed out that because of no appropriation we had been unable to go into the securities placed to cover the loans. The securities themselves were in the different Federal reserve banks. If they had been in Washington the chairman of the committee would have been glad to have examined them, but he did not feel that he was justified in going around to the various Federal reserve banks to ascertain the kind of securities which were held in those banks for these loans. So he did not do it, and he had no funds with which to employ anybody else to do it.

Mr. BLAINE. May I ask the Senator another question?

The VICE PRESIDENT. Does the Senator from Michigan yield further to the Senator from Wisconsin?

Mr. COUZENS. Yes.

Mr. BLAINE. Why not broaden the provisions of the resolution so as to withdraw the loaning privilege from banks and insurance companies and other financial institutions, because it must become perfectly apparent and obvious that whatever loans they have made, generally speaking, have in fact not retired any part of their aggregate indebtedness but simply changed the main creditors. The result has been to pile up excess reserves in the banks and probably to furnish additional liquidity, all of which has had a tendency to contract the flow of credit with attendant falling prices. So it seems to me, as an economic movement, it is driving us into this depression much deeper and wider than we are now in it.

Mr. COUZENS. I agree with much of what the Senator from Wisconsin says, but, as I pointed out previously in my remarks, I do not pretend to be competent to pass upon the loans made by the Reconstruction Finance Corporation to banks and trust companies and insurance companies; I have not analyzed those; but, as chairman of the Interstate Commerce Committee, I felt a responsibility to do so with respect to the railroads. Therefore I have confined my resolution to the railroads. If some other Senator who has more information and feels justified in introducing a resolution to stop loans to other institutions, I shall not object.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. COUZENS. I yield.

Mr. NORRIS. I wish to ask the Senator about an apparent discrepancy between the report submitted by his committee and the disclosures made in the report submitted to the House of Representatives in regard to the so-called Dawes loan. It appears from the Senator's statement that the report made by his committee shows only a comparatively small part, less than half of the authorized loan, to have been actually loaned, while the report to the House shows that the entire authorization of \$90,000,000 was loaned. I wish to ask the Senator if that is, in reality, a discrepancy or whether that might not be explained by the fact that the additional amount shown to have been loaned, according to the report to the House, was loaned after the



report was submitted to the Senator's committee, so that, as a matter of fact, there may be no discrepancy?

Mr. COUZENS. No. I want to say that at the reconvening of Congress in December I had a resolution adopted by the special committee asking the Reconstruction Finance Corporation to bring the report of its loans up to date from July 15 to July 21, which was the day when the secrecy provision ended.

Mr. NORRIS. Then there is a discrepancy, in reality?

Mr. COUZENS. I examined the report for the week of July 15 to July 21 and found that there is no record in that report of any loans to the Chicago bank referred to, and therefore there is a discrepancy.

Mr. NORRIS. There is a discrepancy. Let me ask the Senator another question as to a matter which I think he did not explain. He told us the amount of securities that the Reconstruction Finance Corporation held from the Dawes bank as shown by the report made to his committee. Is there anything additional by way of security which has come to the Reconstruction Finance Corporation according to the report submitted to the House of Representatives?

Mr. COUZENS. The Senator, perhaps, misunderstood me. I did not say that the report showed the amount of securities placed for the Dawes loan. What I said was that I had been informed by the director that the appraisers had estimated the value of the securities at \$120,000,000. The report in hand does not show any specific amount of securities, and that is true of many other loans, because indorsements are relied upon in many cases as security. Where the actual securities deposited may seem inadequate or the Reconstruction Finance Corporation desire to have their loans further secured they obtain the indorsement of the person benefiting by the loan.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I yield.

Mr. COPELAND. Did the Senator have occasion to compare any other loans than the Dawes loan to see if there was a similar discrepancy somewhere else?

Mr. COUZENS. No; I did not. I only took the press report of the loans this morning, and inasmuch as there was so much publicity given to the Dawes loan, I traced that particular one down. I do not know whether there are other discrepancies or not.

Mr. COPELAND. Is not this a further reason why the Committee on Banking and Currency might well call the directors of the corporation here and talk over the matter? I think it would be a wise thing to do.

Mr. COUZENS. I am very anxious to do it, and I will be glad to speak to the Senator from South Dakota [Mr. NORRIS], the chairman of the committee, and ask him to expedite the matter.

Mr. BROOKHART. Mr. President, in reference to the Dawes loan, which the Senator has just mentioned, let me say that I personally made an investigation of that. I went to the Reconstruction Finance Corporation Board itself and I was told the loan was \$90,000,000 and I was told further that there was no security except the assets of the principal, the bank. I was also told that in the final settlement there would be a loss of from \$25,000,000 to \$30,000,000. That was the explanation which was made to me about it.

Mr. COUZENS. Mr. President—

Mr. BROOKHART. Their accounting would tally with the House report from which the Senator has just quoted.

Mr. COUZENS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. BROOKHART. I yield.

Mr. COUZENS. I think the Senator, in all fairness not only to the Senate committee but to the Reconstruction Finance Corporation, should state what official made that statement.

Mr. BROOKHART. If the Senator wants to know, it was Gardner Cowles who told me.

Mr. COUZENS. Of course he came on the board—

Mr. BROOKHART. Shortly after this transaction.

Mr. COUZENS. Shortly after the loan was made. He was a member of the board when I was down there; but the appraiser or the two appraisers who appraised the securities and the other officials stated that the security was worth \$120,000,000.

Mr. BROOKHART. He told me the appraisers made some such report as that, but that eventually there would be a loss of from \$25,000,000 to \$30,000,000.

Mr. COUZENS. Of course he does not know any more about it than do the appraisers, and perhaps not so much.

#### THE VICE PRESIDENT

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] that the Senator from Maryland [Mr. TYDINGS] be permitted to withdraw his motion to recommit, with instructions, the pending bill. [Putting the question.] The "ayes" have it, and permission is granted to the Senator from Maryland to withdraw his motion.

Mr. TYDINGS. Mr. President, I withdraw the motion, and offer a substitute for Senate Resolution 327, which I will call up at an appropriate time. I ask that the proposed substitute may be printed in the RECORD and lie on the table.

The VICE PRESIDENT. The Senator from Maryland withdraws his motion. The proposed substitute he now offers will be printed and lie on the table, and will also be printed in the RECORD.

The amendment intended to be proposed by Mr. TYDINGS to the resolution (S. Res. 327) instructing the Committee on Appropriations to reduce the aggregate amount of appropriations for 1934 to a sum not exceeding \$2,949,100,000 is as follows:

Strike out all after the word "Resolved" and insert in lieu thereof the following:

"That it is the declared policy of the Senate that the appropriations in the aggregate shall be reduced at the earliest practicable time to a sum equal to that of the estimated revenue, and that the Committee on Appropriations is instructed to make a survey of all appropriation bills and to make reductions therein wherever possible without impairing the efficiency of the essential services and conforming to a policy of the strictest economy."

The VICE PRESIDENT. Let the pending amendment be reported.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. The Senator from Tennessee will be recognized just as soon as the pending amendment shall be stated.

The LEGISLATIVE CLERK. On page 10, line 5, after the words "in excess of," it is proposed to strike out "32½ cents" and insert "35 cents: *Provided further*, That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1934 between the two bidders whose prices per pound are the lowest received after advertisement, but not in excess of the price fixed herein."

Mr. McKELLAR. Mr. President, in accordance with the rules I present in writing the notice to suspend the rules, which I send to the desk.

Mr. NORRIS. Mr. President, I should like to make a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Is the amendment now pending a committee amendment?

The VICE PRESIDENT. It is a committee amendment.

Mr. NORRIS. Has there been a unanimous-consent agreement by which committee amendments shall be first considered?

The VICE PRESIDENT. Such an order was made yesterday. Without objection, the reading of the notice to



suspend the rules submitted by the Senator from Tennessee will be dispensed with and the notice will be printed in the RECORD.

Mr. NORRIS. I ask that the notice may be read.

The VICE PRESIDENT. Let it be read.

The legislative clerk read as follows:

NOTICE OF MOTION TO SUSPEND RULES

Pursuant to the provisions of Rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of Rule XVI for the purpose of proposing to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, the following amendment, viz: On page 16, line 16, after the word "each," to insert the following:

"*Provided further*, That no refund or credit of any income or profits, estate, or gift tax in excess of \$20,000 shall be made after the enactment of this act until a report thereof giving the name of the individual, trust, estate, partnership, company, or corporation to whom the refund or credit is to be made, the amount of such refund or credit, and the facts in connection therewith, and all supporting papers are submitted by the Commissioner of Internal Revenue to the Comptroller General of the United States and approved by him, the papers to be returned to the Commissioner of Internal Revenue after final action on the proposed refund is taken by the said Comptroller General. This proviso shall not apply to refunds or credits made pursuant to a judgment of a court having jurisdiction of the subject matter, or a decision of the United States Board of Tax Appeals, which has become final."

The VICE PRESIDENT. The question is on agreeing to the committee amendment, which has just been read.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Customs," page 11, line 17, before the word "not," to insert the word "but," so as to read:

Collecting the revenue from customs: For collecting the revenue from customs, for the detection and prevention of frauds upon the customs revenue, and not to exceed \$10,000 for the securing of evidence of violations of the customs laws, for expenses of transportation and transfer of customs receipts from points where there are no Government depositories, not to exceed \$35,000 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. V, title 5, sec. 118a), but not to exceed \$720 for any one person, not to exceed \$5,000 for the hire of motor-propelled passenger-carrying vehicles, not to exceed \$500 for subscriptions to newspapers.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Engraving and Printing," on page 24, line 19, after the words "passenger-carrying," to strike out "vehicles," and insert "vehicles;," so as to read:

For the director, two assistant directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; for engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency, national bank currency, and Federal reserve bank currency; equipment of, repairs to, and maintenance of buildings and grounds and for minor alterations to buildings; directories, technical books and periodicals, and books of reference, not exceeding \$300; rent of warehouse in the District of Columbia; traveling expenses not to exceed \$2,000; equipment, maintenance, and supplies for the emergency room for the use of all employees in the Bureau of Engraving and Printing who may be taken suddenly ill or receive injury while on duty; miscellaneous expenses, including not to exceed \$1,500 for articles approved by the Secretary of the Treasury as being necessary for the protection of the person of employees; for transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed \$15,000; and for the maintenance and driving of two motor-propelled passenger-carrying vehicles; \$5,060,680, to be expended under the direction of the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, on page 27, line 9, before the word "not," to strike out the word "and" and insert the word "but," so as to read:

For freight, transportation, and traveling expenses, including allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. V, Title V, sec. 118a), not to exceed \$7,635 but not to exceed \$720 for any one person.

The amendment was agreed to.

The next amendment was, under the subhead "Mints and assay offices," on page 34, line 4, after the name "Colo.,"

to insert "Carson City, Nev.," and in line 6, after the name "N. Y.," to insert "Boise, Idaho, Helena, Mont., Salt Lake City, Utah," so as to read:

For compensation of officers and employees of the mints at Philadelphia, Pa., San Francisco, Calif., Denver, Colo., Carson City, Nev., and New Orleans, La., and assay offices at New York, N. Y., Boise, Idaho, Helena, Mont., Salt Lake City, Utah, and Seattle, Wash.

The amendment was agreed to.

The next amendment was, on page 34, in line 15, after the name "Philadelphia," to strike out "\$1,250,000" and insert "\$1,275,000," so as to make the paragraph read:

For compensation of officers and employees of the mints at Philadelphia, Pa., San Francisco, Calif., Denver, Colo., Carson City, Nev., and New Orleans, La., and assay offices at New York, N. Y., Boise, Idaho, Helena, Mont., Salt Lake City, Utah, and Seattle, Wash., and for incidental and contingent expenses, including traveling expenses, new machinery, and repairs, cases and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed \$500 for the expenses of the annual assay commission, and not exceeding \$1,000 in value of specimen coins and ores for the cabinet of the mint at Philadelphia, \$1,275,000.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. ODDIE. I send to the desk an amendment and ask that it may be read.

The VICE PRESIDENT. Is it an amendment to the amendment?

Mr. ODDIE. It is another amendment.

Mr. McKELLAR. Mr. President, can we not get through with the committee amendments before other amendments are offered?

The VICE PRESIDENT. The Chair understood that the amendment submitted by the Senator from Nevada was an amendment to the committee amendment. Is that right?

Mr. ODDIE. No; it is not an amendment to the committee amendment.

The VICE PRESIDENT. Under the unanimous-consent agreement committee amendments must first be considered.

Mr. ODDIE. The amendment I submitted may lie on the table temporarily.

The VICE PRESIDENT. The amendment will lie on the table. The question is on agreeing to the amendment on page 34, line 15, striking out "\$1,250,000" and inserting "\$1,275,000."

Mr. KING. I inquire if the amendments in lines 4, 5, 6, and 7 justify the increase from \$250,000 to \$275,000?

Mr. ODDIE. Yes, Mr. President; the increase from \$1,250,000 to \$1,275,000 covers those four items.

Mr. KING. It seems to be rather a large sum for that purpose.

Mr. NORRIS. Mr. President, I should like to make an inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Why are these additional places put in the bill? In other words, why were they omitted by the House?

Mr. ODDIE. For a number of years past the House has omitted these four items, and the Senate has replaced them in the bill each year. It is doing now what it has done for a number of years past, and there is a real reason for it, which I will be glad to explain if the Senator cares to have an explanation.

Mr. NORRIS. Mr. President, especially in view of the fact that we have an economical streak on, I should like to have that committee amendment reconsidered for the purpose of hearing the Senator's explanation.

The VICE PRESIDENT. The Chair had not announced that the last committee amendment had been agreed to. That is still pending.

Mr. NORRIS. But the reason for that increase came about on account of the amendments in line 4, line 6, and line 7, where the committee has put in several other places, for instance, Carson City, Nev.; Boise, Idaho; Helena, Mont.; and Salt Lake City, Utah. Those are the amendments which I ask unanimous consent to have reconsidered.



The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first one of the amendments.

The LEGISLATIVE CLERK. On page 34, line 4, after the word "Colorado," it is proposed to insert "Carson City, Nev."

The VICE PRESIDENT. The Senator from Nebraska desires an explanation of that amendment.

Mr. ODDIE. Mr. President, this item is for the assay office in Carson City, Nev. This assay office has a very important bearing on the welfare of the mining industry, which everybody knows has been in great distress for a number of years past.

Prospecting for gold is one of the most encouraging things that the mining industry has to look forward to for some time. There is at present a great deal of prospecting being done for gold. That business is increasing among the men of very small means. They have an opportunity, by having this office continued, of bringing small amounts of gold that they may find, or gold dust, into the mint and getting their money. They can have assays made there. The mining industry is of great importance; it is the next largest industry to the agricultural industry; it is of such great importance that these small offices should be maintained. A comparatively small amount of money is involved in this appropriation; but the prospectors are paving the way to better conditions in our western country, and we need those better conditions badly.

I send to the desk a telegram from the director of our mint and assay office in Carson City, E. T. Clyde, which shows the large increase in business at this office during the past year. I ask that this telegram be placed in the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. NORRIS. Let us hear it, Mr. President. I should like to know what it says.

Mr. ODDIE. I ask that the telegram be read.

Mr. NORRIS. Let it be read.

The VICE PRESIDENT. Without objection, the telegram will be read.

The legislative clerk read the telegram, as follows:

CARSON CITY, NEV., January 4, 1933.

United States Senator TASKER L. ODDIE,  
Washington, D. C.:

Settled for 13 deposits first two working days this month. Average entire January business, 1920 to 1931, 12 deposits. December's record of 109 deposits probably largest month here in 20 or more years, much of that time with larger working force. Deposits July 1 to date, 582; same period last year, 285. These figures reflect increase in small operations in this territory and demand for public convenience of service rendered. Statements used last year apply even more, as number of men turning to small-scale mining to sustain selves and families on increase. Comparative statement of work of assay offices on page 18, mint directors' report, fiscal year 1932. Your efforts appreciated. Hopes for success.

E. T. CLYDE.

Mr. NORRIS. Mr. President, we must remember, now, that we are entering upon a program of economy. I wonder if the Senator from Nevada will tell me how much patronage is involved in the Carson City office? How many employees will this bring there, and who names them?

Mr. ODDIE. There are two, Mr. President—one director and an assistant. I named them before; and as I am leaving office on March 4, their successors will be named by a Democrat; but, Mr. President, I think too much of my State to allow any question of politics to prevent my earnest efforts to have this office continued.

Mr. NORRIS. Oh, I have not any doubt of that Mr. President. The Senator has answered my question very properly, and it is a proper question; but that makes it even, you see. The Senator named the fellow who is there now, and the Democrats will name the next fellow, so it evens up all right, and the taxpayers pay the bill.

We are yelling "Economy!" until we are hoarse; but when it comes to a few little offices like this we continue to support them and to uphold them, while the people all

around are yelling "Economy!" and we are all saying "Amen" to it.

Why do we not practice what we preach? If the argument can be made and sustained that this office is necessary, and that the country and the State that has this patronage will sink into oblivion if we do not allow it to continue, I am willing to permit it to go; but the evidence to sustain it comes from a telegram from Carson City, signed by Mr. E. T. Clyde. I do not know the gentleman. Does the Senator from Nevada know him?

Mr. ODDIE. I know him well.

Mr. NORRIS. Is he not one of the men that the Senator appointed to the office down there?

Mr. ODDIE. Yes; and he is about to leave the office.

Mr. NORRIS. Exactly. He will leave it when the Democrats get in.

Mr. ODDIE. Yes.

Mr. NORRIS. But he has a little while to hold on, so that he pleads that this office be sustained. Why, that is natural. Economy is all right if it does not apply to you. As it applies to the other fellow, we are all economists.

Mr. President, if we are going to accomplish anything, we must all be willing to sacrifice something; and we never will accomplish anything unless we do. We shall have to give up some of this patronage. When the Senator from Nevada appointed Mr. Clyde to office, I do not suppose that he knew or even believed that the 4th of March was going to be the end of his term. He did not know then that he was going out and somebody else was coming in; so I presume he has no understanding that having held his office so long, and drawn the pay of it, the members of the other party now should get their opportunity to get some of this milk from the cow that everybody is milking.

This telegram says:

Settled for 13 deposits first two working days this month. Average entire January business, 1920 to 1931, 12 deposits. December's record of 109 deposits probably largest month here in 20 or more years.

I do not understand what all that means.

Mr. ODDIE. I do, Mr. President. I can explain it.

Mr. NORRIS. Let the Senator explain this, then:

Settled for 13 deposits—

What does that mean?

Mr. ODDIE. That he made settlement for 13 deposits of ore or gold that was brought in to him from prospectors.

Mr. NORRIS. There were 13 deposits in two working days this month. Do they not work more than two days a month out there?

Mr. ODDIE. He is speaking of these two days, to show that the business is increasing. He just mentioned the two days of the month which had already expired.

Mr. NORRIS. Oh! There were 13 deposits in two days. Does the Senator know how many deposits were made in the other 28 days?

Mr. ODDIE. The answer to that would be just about as wise as to ask how many times it will rain next January. [Laughter.]

Mr. NORRIS. Exactly; and if it does not rain next January, we get no consolation out of the fact that it did rain January 1 of last year. [Laughter.]

Now, here we are. We have a record of 13 deposits in 2 days, and 28 days without any deposits, probably; and we are going to keep these men there, drawing salaries from the Treasury of the United States, when everybody is yelling himself hoarse to economize and cut down expenses.

Mr. ODDIE. Mr. President, to abolish these offices would be the rankest kind of extravagance.

Mr. NORRIS. Exactly.

Mr. ODDIE. It would have a tendency to destroy one of the fundamental industries of our western country.

Mr. NORRIS. How about the next county, where some other town is the county seat? Why not have one there?

Mr. ODDIE. Because this office has been in existence for a great many years. It is the only one in the State. It has been so recognized by Congress for many years past,



and there is no sense in having more than one in Nevada. It would be extravagant.

Mr. NORRIS. But Nevada is a big State. Suppose some ore were found away up in the northwest corner of the State, nearer to Seattle, Wash. The man who found it would have to go clear down to Carson City.

Mr. ODDIE. But our people have intelligence enough to go to the nearest office.

Mr. NORRIS. Now, let me ask the Senator what the next clause means:

December's record of 109 deposits.

Does that mean that there were 109 deposits made in that one month?

Mr. ODDIE. It means in the period mentioned in that telegram.

Mr. NORRIS. I judge that is one month, because it says in the next sentence that it is the "largest month here in 20 or more years."

Mr. ODDIE. Yes.

Mr. NORRIS. What do those deposits amount to? Does the Senator know that?

Mr. ODDIE. I know that any one of those deposits is likely to amount to the creation of a great mining district which will employ possibly thousands of men and put money in circulation.

Mr. NORRIS. Yes; but, Mr. President, the mining district would go on just the same if that office were not there; and, indeed, the mining district might be nearer geographically to some other of these towns, where there is another assay office.

Mr. ODDIE. Mr. President, there is no other assay office in the State; and it is a plain statement of fact that a mining district does not exist until it is discovered and made.

Mr. NORRIS. Mr. President, I have not said that there were more offices in the State of Nevada; but I have said that probably on account of the size of Nevada, there are some deposits at places that would be nearer to some other assay office; and how do they take them? Do they send them by express, or do they carry them there in person?

Mr. ODDIE. It depends on the case itself. If the sample is to be sent a long distance it might be sent by express. Frequently the prospectors who are doing this work have no money to send these samples by express. They have to carry them themselves; and I have known of cases where they have traveled long distances over the desert and through the mountains in order to carry these little samples to the assay office.

Mr. NORRIS. "Little samples"?

Mr. ODDIE. Yes; to be assayed.

Mr. NORRIS. Mr. President, I supposed the man had a whole wheelbarrow full of gold; and if he was carrying it there, and having that much gold, it certainly would not be much of a drain on that kind of a man to pay the express on it. If it is just a little sample, he could send it by parcel post, could he not?

Mr. ODDIE. Mr. President, the Senator knows nothing whatever about the question he is discussing. I should be glad to enlighten him if he would give me an opportunity. I know it would be interesting to the Members of the Senate also.

Mr. NORRIS. I concede that I do not know much. I am inquiring of the Senator from Nevada to get information and I am having very poor success. I admit we are not getting it. Let me ask the Senator about another sentence here:

Deposits July 1 to date, 582; same period last year, 285.

I suppose the object of stating that is to show that the business is increasing.

Mr. ODDIE. Yes.

Mr. NORRIS. We agree on that.

These figures reflect increase in all operations in this territory and demand for public convenience of service rendered. Statements used last year apply even more as number of men turning to small-scale mining to sustain selves and families on increase.

Comparative statement of work of assay offices on page 18, Mint Director's Report Fiscal Year 1932. Your efforts appreciated. Hopes for success.

Mr. President, these assay offices are a good deal like land offices, which may not be provided for in this bill, but they will be in another one, and there is one for my State. I have refused to put forth any efforts to save it if, under law, it ought to be discontinued, or if, under the showing, it is an expense to the Government to keep it open. It seems to me that Congress ought not to be here contending for the keeping open of offices for the purpose of giving people jobs, and that is the main purpose. If it is not, I want to see the evidence. I do not think there is any reason why we should maintain an assay office in Carson City, Nev., if we can get the work done more cheaply somewhere else. I do not believe there is any reason why we should keep an office in Boise, Idaho, or Helena, Mont., or Salt Lake City, Utah, unless it is absolutely necessary that it should be done. Now, when we are talking economy, and when we have pledged economy, let us commence at home.

It is proposed that we put these places in at this time, as we did last year, as we did the year before, as the Senator from Nevada says. They were taken out in the House last year, they were taken out by the House the year before, and were reinserted in the Senate, and it is proposed that we do it again. As far as I am concerned, I do not know that there is any use wasting time here trying to prevent their being put into the bill again, but unless there is some reason given for reinstating them, then the officials who have recommended that they be taken out, and the House of Representatives, which has stricken them out, are entitled to some credit for that action.

I want to ask the Senator now whether it is not true that the department concerned has recommended the omission of these towns?

Mr. ODDIE. No.

Mr. NORRIS. Have they recommended that they be put in?

Mr. ODDIE. They have recommended that they be put in the bill. The Bureau of the Mint of the Treasury Department has recommended it, and the Budget has recommended that these items be placed in the bill.

Mr. NORRIS. They are all recommended, then?

Mr. ODDIE. Yes.

Mr. NORRIS. Why did the House take them out?

Mr. ODDIE. Because it is a whim of one particular man in the House, who knows nothing whatever about the mining industry and cares less.

Mr. NORRIS. The House is composed of several Members. There are a great many more than one there. This matter had to go through the House committee.

Mr. ODDIE. It went through the House committee.

Mr. NORRIS. And it had to go through the House itself.

Mr. ODDIE. But the man to whom I have referred was able to convince certain members of the committee that these items should come out.

Mr. NORRIS. I suppose so; and in their judgment they took them out.

Mr. ODDIE. And the Senate in its judgment every year has put them back.

Mr. NORRIS. They have put them back, but not in their judgment.

Mr. ODDIE. Yes; in their judgment.

Mr. NORRIS. They just put them back by main force. They put them back perhaps without any reason.

Mr. ODDIE. They have been put back by the Senate because it has been explained to the Senate that it is extravagance to cut them out, and that there is a necessity for these offices. They help the small prospectors, and that western country needs more mining development, and the world needs more gold.

Mr. NORRIS. If putting in the bill provision for a large number of assay offices will bring in more gold, then we have an easy way to solve the present difficulty. All we will have to do will be to add four or five hundred more assay



offices, and the gold will come in until we stop it by main force.

Mr. ODDIE. Mr. President, I know from experience that the road of the prospector is a hard one. I have done that work myself, and I know that all is not gold that glitters. I have learned that through many bitter experiences, and I have learned that the investment of a very small amount of money in this industry will sometimes yield huge returns.

Mr. NORRIS. Does the value of the ore increase because it is assayed in an office that is near by where it is dug out of the ground?

Mr. ODDIE. That makes no difference, Mr. President.

Mr. NORRIS. Would not the same amount be assayed if Carson City did not assay it? Will not these other assay offices be able to do the work, without hiring additional men to do it?

Mr. ODDIE. The other assay offices are in far-off States, a long distance away. I could cite illustrations, if the Senator cared to hear them, which would convince him that the human equation comes into this problem very largely. Here are these men, anxious to work and make a living. They go through privations which very few other men in the world have to go through in searching these desert mountains for ore deposits, and they generally are without money in their pockets. A little necessary help and encouragement to them at critical times might mean the difference between success and failure.

Mr. NORRIS. Mr. President, I agree to all that; I have great sympathy for these men who are doing such work. I would not injure them for anything. But that is not the personal equation. The personal equation is shown in the telegram. The personal equation in this particular case is E. T. Clyde, the employee, and the other fellows who are going to have his job after he passes on.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER (Mr. Dickinson in the chair). Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield.

Mr. WHEELER. Let me say to the Senator that he is entirely wrong with reference to this matter. Take the case of Helena, Mont., for instance. I do not even know who the man in the mint is, and I am not the slightest bit interested in who is going to be or who has been director of the mint; but, in my judgment, it is perfectly silly and absurd for the Senator to stand on this floor and say that it is a question of patronage, because that does not enter into it in the slightest degree.

Mr. NORRIS. Mr. President, I will not permit any interruption further until I answer that statement.

When the Senator says that it is perfectly silly, I undertake to say to him that it is perfectly true, silly or not. It may not apply to this office, it may not apply to some other office; but I know, and we all know, that these little offices which are maintained, not only assay offices but land offices and others, are often maintained, often kept in existence, simply and solely and entirely as a matter of patronage. I know just as much about that as anybody else does. I have been through the mill myself. I have seen land offices disappear in my section of the country one at a time, and I have never seen one disappear without the man who held the office objecting to its disappearance.

Mr. WHEELER. The Senator is talking about an entirely different thing. A land office is one thing; an assay office is another. If the Senator will pardon me and let me explain it to him for a moment—at the present time, all through the West, by reason of the depression, literally thousands of people who can not find work are going into the hills and into the old mining districts to prospect. If those men have to ship every little bit of a sample clear back to New York City, or to some other distant point, it will take weeks and months before they can find out whether or not their prospect is worth anything or is not.

If the Senator knew the situation that existed out there in that section at the present time, I say that he would not be contending that it was just a matter of patronage. I

have fought to keep these items in the bill when the patronage did not exist in connection with the matter in the slightest degree, because I had nothing to say about the patronage. I have stood here and fought for such things for 10 years, and it was not for the rich mining companies, because it does not make any difference to them, but it does make a tremendous lot of difference to the little prospector, to the fellow going out in the hills day after day and night after night trying to eke out a miserable existence, to get enough money to enable him to live.

It amounts to only a few thousand dollars to the Government of the United States, and it may mean the development of a great mining district; it has in times past. It is so infinitesimal it seems to me hardly worth while standing on the floor and fighting over it, and it would not be if it were not for the fact that it means so much to the individual prospector, who has to depend at the present time on getting a few dollars here and a few dollars there to keep his body and soul together.

Mr. NORRIS. Mr. President, it seems to me the Senator begs the question, and he is trying to put me evidently in the attitude of trying to increase the hardship of the poor fellow who goes out into the hills and prospects for gold, silver, or some other metal. I will not be put in that attitude. I am not taking that kind of a position. I do not believe the facts warrant any such imputation. I have sympathy for such a man, but I do not want the Government to establish an assay office for every man who goes out and hunts gold. I have to consider the necessities and the financial condition of the country, and that is what I am considering or trying to. I do not think it adds materially to the difficulties of any one of these poor men who are going out in the hills and suffering and hunting for gold to send his sample to some other place than Carson City or Helena, Mont. There are a good many other places left.

It is a question of the expense to the Government whether we should maintain an office in Carson City, Nev., in Salt Lake City, Utah, in Helena, Mont., or Boise, Idaho. I am not sure but that some of them ought to be kept in, but there is some reason in the fact that this bill comes over here every year from the House of Representatives with those items stricken out, and they go back in, because evidently there is a sufficient combination here between all these statesmen's interests which will put them back in the bill.

Mr. ODDIE. Mr. President, I know that there is no geographical distinction in this matter. The Senators from the Western States view these problems in a broad way. I know they have all helped as much as they could in passing legislation which would be of benefit to the State of Nebraska, for instance, and to other States. I know that, and the more the State of Nebraska prospers the gladder I shall be. I hope the Senator's people will all become wealthy; I should like to see that. But here is a great section of the West, an enormous area, with a very small population which needs some help. This is not a question of charity, it is a question of allowing an industry that has been in existence since the beginning of our country to continue.

The amount involved is small, and I know from experience that the appropriation will do great good and result in preventing much suffering and harm. I hope the amendment will be agreed to.

Mr. WALSH of Montana. Mr. President, there is no one who doubts in the slightest degree that the Senator from Nebraska is actuated by the very highest motives, and with a desire to promote the public good in his insistence upon a rejection of these amendments proposed by the Senate committee. But really he ought, it seems to me, give those of us who do not agree with him credit for being equally desirous of promoting the public good.

Mr. NORRIS. I want to do that. I have not said anything to the contrary, I hope.

Mr. WALSH of Montana. It seems to me the inference was the other way; that those who are urging the retention of the assay offices are simply actuated by a desire to hold some offices for somebody, which, of course, is scarcely consistent with a high desire to promote the public interest.



Likewise, when the House of Representatives takes one view about this matter and insists upon striking out the offices and the Senate takes another view and insists upon their remaining in the bill, as it has for the last 10 years every time the appropriation bill has been considered, it scarcely follows as a necessity at least that the House of Representatives is actuated by patriotic motives and that pure selfishness in the matter governs the action of this particular body.

Let me say likewise, as was said by others speaking in favor of these matters, that the matter of who shall be in charge of the assay office at Helena, Mont., is a matter of indifference with me. I wish I did not have anything at all to do with the selection of who shall be the assayer at Helena. I have stood here again and again for the past 10 years urging the retention of these assay offices, knowing at the time that I should have absolutely nothing whatever to say about who should be the assayer in charge getting a little salary, my recollection is, of something like \$2,500 a year, an assistant getting \$2,300, and a janitor \$1,400. They comprise the total force of the office.

Let me say in this connection, as has been said heretofore, that it has been a matter of great gratification to all of us that the business of the prospector, having practically passed out of existence by reason of the depression from which we are all suffering, is being revived; that the unemployed are going into the hills and earning some of them possibly as little as a dollar a day washing gravel and getting some gold. Senators may have observed in the newspapers that an effort is being made to induce the unemployed in the congested cities of the country to go into the mountains and hills of the West and prospect, holding out to them the inducement that they will be able at least to make decent wages placer mining in a good many regions of the West.

That there is abundant room for that hope is clearly disclosed by returns from the Helena assay office for the last three years which I am able to give the Senate. In 1930 there were at that office 130 deposits, the aggregate value of which was \$60,608. In 1931, although the number increased to 244, the aggregate value was only \$58,657. But last year, 1932, there was a 100 per cent increase both in deposits and in value, the number of deposits being 556 and the value \$137,434. That signifies a great deal to us people out West, although I dare say it does not mean anything at all to the Senator from Nebraska. It signifies a movement in that direction. It signifies a revival of the industry which has given to us the great gold mines of the West. At this time, when everybody is praying for an increase in our production of gold, why should we do anything to depress this movement?

Perhaps it would not signify very much, if anything, to the Senator from Nebraska if I should read a letter from the assayer in charge of the Helena office, but I dare say it might mean something to other Members of the Senate. I read briefly as follows:

TREASURY DEPARTMENT,  
BUREAU OF THE MINT,  
UNITED STATES ASSAY OFFICE,  
Helena, Mont., December 30, 1932.

Hon. T. J. WALSH,

*United States Senate, Washington, D. C.*

DEAR SIR: Your letter of December 24, 1932, at hand. In regard to the continuance of the assay office here, I believe its presence to be more necessary now than at any time since its existence.

Let me say the assay office was constructed away back in the year 1870, over 60 years ago, and has been in continuous service all that time. For some reason or other the House of Representatives has been endeavoring for a long time to abolish these offices and leave in existence the great assay offices and branches of the mint in New York, Philadelphia, New Orleans, and San Francisco. Just exactly what the interest is back of that I do not know, if there is any particular interest, but the effort has been persistent.

The letter continues:

Since the first of May, 1932, and up to December 31, 1932 (last seven months of 1932), we have had 614 deposits amounting to

\$145,167.91 in value. We are now, and have been for the past seven months, serving from 75 to 80 miners and prospectors a month and probably over 50 per cent of these prospectors would have had to receive outside aid otherwise.

It is just to that extent a relief to the relief organizations in the various cities of my State.

Mr. REED. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Montana yield to the Senator from Pennsylvania?

Mr. WALSH of Montana. I yield.

Mr. REED. Do these assay offices make a charge to prospectors for their services?

Mr. WALSH of Montana. No; they do not. It was conceived to be in the interest of the Government to promote the bringing of gold and silver into assay offices for monetary use.

The letter continues:

During the calendar year of 1931 we had 383 deposits with a value of \$85,924.74, and during the present calendar year we have had 756 deposits with a value of \$191,001.46. This shows a gain of over 100 per cent in 1932 over 1931 in value and practically the same in number of deposits.

Regarding the number of deposits which this office failed to obtain because of lack of help (I was left alone during the month of August, owing to the retirement on account of age of W. L. Hill, former assayer in charge), I can only estimate, because as soon as it became known that considerable delay would ensue in getting their returns, they sent the deposits to Denver and elsewhere. My guess would be that if we could have gotten out all the deposits on time, we would have had from 100 to 200 more than we now have.

The psychological effect of closing this office would be all out of proportion to the small saving effected. Prospective mining operators and investors would give this country a "wide berth," arguing that if the Government did not think there was enough gold here to pay to maintain the office, it was probably a pretty good country to leave alone for mining ventures.

Very respectfully,

W. H. WRIGHT, Assayer in Charge.

Mr. President, I do not know that there is anything else to be said about the matter. As has been suggested, it is a small matter so far as expense to the Government is concerned. If we are going in for economy, opportunities in abundance will be presented, instead of taking away these little assay offices which exist merely for the purpose of giving employment to most deserving men, who, in addition to making their own living out of the thing, bring to the attention of investors properties that may be of inestimable value to the whole country, and particularly at this time, when the desire to increase the amount of gold ought to be in the minds of every citizen.

Mr. COSTIGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WALSH of Montana. I yield.

Mr. COSTIGAN. Without having the latest figures of gold production in the West before me, I rise merely to say that the statement of the Senator from Montana accurately reflects recent prospecting and mining conditions in the State of Colorado. There has been a marked increase in deposits of gold in the last year, and Government assay facilities have been of substantial use to western prospectors.

Mr. VANDENBERG. Mr. President, I want to supplement the colloquy which I had earlier in the afternoon with the able Senator from Maryland [Mr. TYDINGS]. I am sure he is in pursuit of a more effective formula than the one which the present substitute brings to the Senate, the pending proposal which now bears his name. I am sure if he could find a formula that is practicable and more in keeping with the objective to which he addressed himself yesterday, he would be happy to embrace it. It is in no spirit of controversy but in one of suggestion that I want to ask him to consider this proposal.

It occurs to me that it would be highly logical in a situation such as that in which we find ourselves if the executive in charge of a department were to be left with the final responsibility for finding the ultimate place in which that particular department can make its contribution to the



arbitrary and further reduction in the Budget for that department.

I am thinking of the fact, for example, that we are proposing to give to the President of the United States substantial authority to reorganize, consolidate, and so forth, in respect to the departments. We can not anticipate what those precise actions will produce by way of economy. Why would it not be possible to treat each department's total appropriation precisely as the Indian school appropriations are treated in the Interior Department appropriation bill? There is an exact precedent for the thing I am suggesting to the Senator from Maryland. As I understand it, though the suggestion comes originally from the able Senator from New Mexico [Mr. BRATTON], this is the only place in any of the appropriation bills where this method of procedure is followed.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Maryland?

Mr. VANDENBERG. Gladly.

Mr. TYDINGS. I concede that that would be the means of bringing about some economies, but it would not reach that large field of possible economies which might be effected if we could change some of the legislation upon which appropriations must be based. I will concede that that will do a part of the work, but it will not do the whole job.

Mr. VANDENBERG. I agree to that, Mr. President, but I am also suggesting that it will do a great deal more of a job than the substitute resolution which is now being submitted to the Senate on behalf of the Senator from Maryland.

Mr. BRATTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New Mexico?

Mr. VANDENBERG. I am glad to yield.

Mr. BRATTON. The Senator from Nebraska [Mr. NORRIS] made an observation yesterday which in my opinion had much force, and that was that when we begin to tear these bills down as they come to us separately, we act on one perhaps a month before we act upon a subsequent one. Perhaps we do not tear them all alike. One is cut deeper than another. What would the Senator from Michigan think about the system of making annual appropriations for the several departments in one bill, letting Title I contain appropriations for the Department of Justice, Title II for the Department of the Interior, Title III for the Department of Commerce, and so forth?

Of course, it would require separate subcommittees to consider each title; but when we put the several titles together, we would have the whole picture. If we knew that our contemplated revenue was so much, then by looking at the one bill we could ascertain that the total appropriations exceeded by so much the contemplated revenue, and therefore there had to be so much in the way of reductions accomplished, that those reductions should be prorated, and they could be prorated in one bill before the committee.

Mr. VANDENBERG. Mr. President, the Senator will recall that I raised precisely the same question yesterday in the debate in a question addressed to him. I entirely concur that that is the logical way to proceed to do a completed job, if we want a completed job.

Mr. BRATTON. If the Senator made the suggestion yesterday, I overlooked it. His views and mine are in accord. I think we can obviate discrimination among the several departments in that way; we could treat them all alike.

Mr. VANDENBERG. Of course, we can not do that, apparently, at the present moment, except as all bills be recommitted and all brought back together. But now let me pursue and identify, at least for further survey, the idea I was submitting. I am referring now to page 41 of the pending Interior Department appropriation bill, being House bill 13710, where the total appropriations listed and actually made by the particular section of the bill are \$3,857,135. But, then, after all those have been listed the bill finally says:

In all, for the above-named nonreservation boarding schools, not to exceed \$3,755,000.

I call the Senator's attention to what has happened. After listing the total appropriations, which ultimately merely serve as limitations, as the Senator will see, then the bill says that the final sum actually available shall be \$102,000 less than the items themselves actually total. In other words, in respect to that particular section of the appropriation structure those administrators who are ultimately responsible for the administration of the bill are left not only with responsibility to find the place where the \$102,000 shall be saved, but they are put under the actual compulsion to save it.

Suppose we were to translate that same theory to the pending Treasury bill. The pending Treasury bill appropriates \$244,000,000. Suppose we were to say at the end of the bill that the actual total appropriation, for the sake of the argument, is \$200,000,000 or \$225,000,000, with the other provision attached which limits the method of transfer, then we would put upon the administrators of the Treasury Department, under the new set-up which contemplates certain departmental and bureau changes, the responsibility for finding the place where that ultimate and final saving of 10 per cent, let us say, might be obtained. That is the method that would be followed by a board of directors in a private business certainly, and I submit to the Senator that he consider whether or not that sort of a formula, worked out in some practical fashion and added to the end of each of the appropriation bills, would not more definitely accomplish the objective which he had in mind yesterday.

Mr. TYDINGS. If the Senator from Michigan will reduce that suggestion to writing, I shall be very glad to consider it; but I do not want to be caught in the same position twice in which I was caught this morning; and I would rather have a little time to review that suggestion, lest I might be forced to ask the Senate for permission to withdraw the amendment a second time.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The LEGISLATIVE CLERK. On page 34, line 6, after the name "New York," it is proposed to insert "Boise, Idaho; Helena, Mont.; Salt Lake City, Utah."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment of the Committee on Appropriations was, on page 34, line 15, after the name "Philadelphia," to strike out "\$1,250,000" and insert "\$1,275,000."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department, office of the Second Assistant Postmaster General," on page 57, line 4, after the word "Provided," to strike out "That no part of the money herein appropriated shall be paid on contract No. 56 to the Seatrains Co.: *Provided further,*" so as to read:

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the merchant marine act of 1928 (U. S. C., title 46, secs. 861-889; Supp. V, title 46, secs. 886-891), \$35,500,000: *Provided*, That not to exceed \$7,000,000 of this sum may be expended for carrying foreign mail by aircraft under contracts which will not create obligations for the fiscal year 1935 in excess of \$7,000,000.

Mr. McKELLAR. Mr. President, the Senator from Florida [Mr. FLETCHER] wanted to be heard on that matter. So, in order that he may be present, I make the point of order that there is no quorum present.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Blaine	Caraway	Dale
Austin	Borah	Carey	Davis
Bailey	Bratton	Connally	Dickinson
Bankhead	Brookhart	Coolidge	Dill
Barbour	Bulkeley	Copeland	Fess
Barkley	Bulow	Costigan	Fletcher
Bingham	Byrnes	Couzens	Frazier
Black	Capper	Cutting	George



Glass	Keyes	Pittman	Thomas, Idaho
Glenn	King	Reed	Thomas, Okla.
Goldsborough	La Follette	Reynolds	Townsend
Gore	Lewis	Robinson, Ark.	Trammell
Grammer	Logan	Robinson, Ind.	Tydings
Hale	McGill	Russell	Vandenberg
Harrison	McKellar	Schall	Wagner
Hastings	McNary	Schuyler	Walcott
Hatfield	Metcalf	Sheppard	Walsh, Mass.
Hawes	Moses	Shipstead	Walsh, Mont.
Hayden	Neely	Shortridge	Watson
Howell	Norbeck	Smith	Wheeler
Hull	Norris	Smoot	White
Johnson	Nye	Steiwer	
Kean	Oddie	Stephens	
Kendrick	Patterson	Swanson	

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present.

Mr. FLETCHER. Mr. President, the matter now before the Senate is a committee amendment on page 57, line 4, the committee seeking to amend the House text by striking out the language:

*Provided, That no part of the money herein appropriated shall be paid on contract numbered 56 to the Seatrain Co: Provided further,*

I feel that the House language should remain in the bill. If it were retained, it would mean a saving of \$120,400. That would be the amount called for by the contract referred to if the House language should be stricken out. I think the committee made a mistake in attempting to strike out the House language.

I call attention to the report of the House committee, at page 18, in which the committee says:

In making the deduction in the Budget estimates the committee has also eliminated the amount of \$124,400 for contract service with the Seatrain Co. about which there was considerable discussion at the last session. No compensation has been paid under this contract to date, the company foregoing pay voluntarily under the contract for mail service between New Orleans and Habana after entering the coastal business by operating car ferries between New York and Habana. So long as no payments are being made and the situation has been complicated by the coastal operations, the committee felt that deductions from the appropriation should be made.

I can not see how that statement can be answered. It sets forth the precise situation. The House committee said we ought not to make this appropriation because the Seatrain Co. have changed their original plan and purpose. Their application for this contract and the application for loans from the Shipping Board to build the two car ferries called seatrains were based upon the proposition that they were undertaking to do business between New Orleans and Habana. That would be foreign trade, of course. I insisted at the time, a year ago, when this proposition was up, that this concern could not live on the business between Habana and New Orleans.

That business has decreased. The traffic has decreased. There was not enough traffic there to justify the building of a single one of these ferries. There were at the time available ferries that had been operating between Key West and Habana that were out of business and asking to be allowed to operate between New Orleans and Habana, because the business between Key West and Habana had dropped off so that they could not live. They were attempting to operate those ferries from Habana to New Orleans, and they were ample to carry on that business. There was a mail contract already in existence between the Postmaster General and the United Fruit Co. to carry the mails from New Orleans to Habana. That was actually in operation at the time they made this application.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Tennessee?

Mr. FLETCHER. I do.

Mr. McKELLAR. There were two contracts. The Government had subsidized two contractors to carry the mails from New Orleans to Habana. Together, they carried about 1,500 pounds of mail a year. Now, this proposed subsidy to the Seatrain Co. will subsidize a third shipping company to carry the mails from New Orleans to Habana.

Mr. FLETCHER. At any rate, ample provision had been made for carrying the mail from New Orleans to Habana, and a contract was outstanding at the time. There was no occasion or need for making any new contract with any new concern for carrying that mail. There was no traffic justifying additional means of transportation between those two ports, because every needed facility for that business was already in existence.

Mr. BLACK. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Alabama?

Mr. FLETCHER. I do.

Mr. BLACK. I am not sure that I understood the Senator. Is it true that there is no Seatrain Co.?

Mr. FLETCHER. Oh, no; there is a Seatrain Co. There is a corporation by that name.

Mr. BLACK. In what business is it engaged now?

Mr. FLETCHER. That is what I am going to get to in just a minute.

I insisted that there was no occasion for making the original contract with these people, or responding to their application, because there was no need for additional service there to begin with. The service was already taken care of.

What did they do? They proceeded to organize the Seatrain Corporation. They obtained a loan from the Shipping Board to build two of these "seatrains." They are ferries carrying about 90 freight cars each. The company call them "seatrains." They load the loaded cars in these ferries—a very good arrangement for that purpose, I suppose—about 90 of them. They take a whole trainload of about 90 freight cars, put them into the holds of these vessels by machinery, and they are moved wherever they want to carry them. They call them "seatrains." They are really car ferries.

The company obtained loans from the Shipping Board to build two of these ferries. Of course, they had to build them here in the United States. About 75 per cent of their cost was furnished by the Government at a very low rate of interest. There was no justification, commercially or otherwise, for any such venture. I pointed that out last year.

Now, what has happened? The company borrowed the money from the Shipping Board and built the ferries, and now they are operating between New Orleans and New York, simply stopping at Habana on the way. They are not operating the service from New Orleans to Habana, a foreign port, alone; but they are operating those ferries, carrying freight from New Orleans to New York and New York to New Orleans, putting in at Habana, in order to get this \$240,000 a year pay for carrying the mail from New Orleans to Habana. The contract had already been made for that; but in order to get that pay they operate this line of seatrains from New Orleans to Habana and on to New York and the same way back.

That, of course, is coastal business. It is coastwise traffic. It is not foreign traffic at all. The law never contemplated making loans to any concern that was engaged in coastwise business. There is plenty of competition along our coasts; there is no occasion to subsidize a concern operating ships on our coasts; and it never has been done.

Mr. REED. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Pennsylvania?

Mr. FLETCHER. I yield.

Mr. REED. The Senator says that it was not contemplated that these vessels engage in coastwise service. I note that section 19 of the law provides that during any period in which the vessel is operated exclusively in coastwise trade, or is inactive, the rate of interest shall be so-and-so, and that during any period in which the vessel is operated in foreign trade the rate shall be lower.

Mr. FLETCHER. That is with reference to the ship, and not with reference to the mail contracts.



Mr. REED. Obviously, as far as these construction loans went, it was contemplated that these vessels constructed in this way should be used in coastwise service.

Mr. FLETCHER. I am not complaining about the authority of the Shipping Board to make the loan; but the purpose of this whole thing to begin with, of course, was getting the mail contract; and that contract is only let to carriers in foreign business. It is not let to coastwise vessels at all. The Shipping Board may loan them money, but the purpose of these people all along has been to get the benefit of the ocean mail pay. They would not build searains to engage in the coastwise trade.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Tennessee?

Mr. FLETCHER. I do.

Mr. McKELLAR. I am afraid the Senator from Florida has left the wrong impression upon the mind of the Senator from Pennsylvania. Under the law, coastwise shipping can not obtain these subsidies. It must be foreign shipping with foreign countries.

Mr. FLETCHER. Yes.

Mr. McKELLAR. Now, if the route covered by this contract is extended—and the purpose of the department is to extend it, if they can, from New Orleans to Habana and then on to New York—if that is done, manifestly that will be an evasion of the law, and ought not to be allowed.

Mr. REED. No, no; the Senator has not understood me.

Mr. McKELLAR. Perhaps I did not.

Mr. REED. I do not think anybody has suggested that this company should have a mail contract for carrying mail from New York to New Orleans. Nobody suggested that. The present contracts do not provide for it.

Mr. McKELLAR. But the Postmaster General or his assistant does say that that is the intention.

Mr. SMOOT. Mr. President, this is what Postmaster General Brown said on page 116 of the hearings:

We could pay them only for the voyage from New Orleans to Habana. That is as much as we could pay them for.

Senator BROUSSARD. And that is what they are trying to fix right now?

Postmaster General BROWN. Yes. They admit that if the ship is partly loaded with freight for New York, their operation then is not 100 per cent a foreign operation, but it is partly a domestic or coastwise operation; and they are willing to waive the proportion of their mail pay that their coastwise cargo bears to the total earnings of the voyage.

Mr. FLETCHER. Yes; I understand that. The Postmaster General rather reversed himself to some extent and took a different ground from that which he took before the House committee. I have the House hearings here. The chairman asked him (p. 22):

What became of the Seatrain controversy?

Mr. BROWN. It is still pending before the department.

And I may say at this point that if anything is done, such as is suggested in the statement just read by the Senator, it would mean a new contract. The old contract is off. They are seeking pay under the old contract.

Mr. BROWN. It is still pending before the department. I think they have been asking us to modify their contract and permit them to call at Cuba and go on up to New York, and we have not been able to see the propriety of that.

This is his statement before the House committee.

The two new ships are now in commission; they have started the service, but we have not yet begun to pay on their contract. The bottom has fallen out of the Cuban trade. They were to run between New Orleans and Cuba, and apparently the Cuban business has disappeared, temporarily at least, and they now want to run the vessels from New Orleans to New York, calling at Cuba.

I prophesied a year ago that that was going to be the termination of their whole undertaking, and they have come to it now. Instead of doing business between New Orleans and Habana, they want to do business between New York and New Orleans; and they make the stop at Cuba merely for the purpose of getting \$240,000 a year out of the Government under pretense of carrying the mail from New Orleans to Cuba. The law does not permit giving these contracts to vessels for coastwise operations. It only permits giving the

contracts to those carrying foreign mails, so they try to meet that by stopping at Habana and calling this a foreign business.

You see what the chairman says. The chairman then asks the Postmaster General:

What advantage could be gained by that, Mr. Brown; I mean from the standpoint of public service?

Mr. BROWN. It would enable New Orleans to have another coastwise service in carload lots; it would enable New York and New Orleans to exchange freight trains; and they would want us to pay them their subsidy for the part of the route between New Orleans and Habana.

That is the statement.

The chairman says:

Of course, that would have a corresponding depressing effect on the railroads?

Mr. BROWN. Yes. While the matter has not been definitely disposed of in the department, because they have asked for some further hearings and opportunity to present further briefs, as yet they have failed to convince us that the contract should be modified as they propose.

He goes on farther in these words. The chairman asks:

While the railroads are in the trouble that they are now, I wondered how it would affect them.

Mr. BROWN. The merchant marine act of 1928 contemplates commerce between the United States and foreign countries, and there is no authority for giving any subsidy to a coastwise line.

He further says:

Well, we could not pay them a subsidy for moving their ships between New York and New Orleans, but their plan is to move between New Orleans and Habana, calling at Habana and going on to New York, then returning to New Orleans via Habana. They would use their mail pay between Habana and New Orleans to enable them to compete with other coastwise vessels that have no mail pay.

In other words, here is a concern proposing to do a coastwise business that proposes to compete with all our coastwise vessels and the railroads in moving freight between New Orleans and New York in carload lots, and at the same time be supported by Government aid to the extent of \$240,000 a year—an unheard-of thing.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I yield.

Mr. COPELAND. May I ask the Senator whether there is a contract existing between the Seatrain Co. and the Government?

Mr. FLETCHER. Oh, yes. They have made the contract; but when they attempted to operate these vessels coastwise, they had to go to the Shipping Board and get permission. The Shipping Board, after hearings, granted permission but said, "We do it only on condition that you waive your subvention pay, your mail-contract pay."

Mr. COPELAND. Is that a matter of record?

Mr. FLETCHER. Yes. I will get to that. That is a matter of record. The Shipping Board afterward admitted that they really did not have anything to say about the mail pay; but that was their first resolution, that this permission was granted on condition that the Seatrain Co. waive their mail pay. Afterward the Shipping Board said, "That is a matter for the Postmaster General; but we will give you this permission for six months and see how you come out on it"; and the company themselves said, "We will waive the mail pay for six months." So that, although they began operation about October 1, no mail pay has been made, and none will be made until May 1. They have agreed themselves to waive all mail pay until May 1, 1933. So that part has been settled, and the question of whether they will be entitled to any mail pay or not is the question pending.

Mr. REED. Mr. President, will the Senator permit a question at that point?

Mr. FLETCHER. I yield.

Mr. REED. Was not the reason why they did away with the mail contract the fact that they were not going to be permitted to start their vessel out of New York Harbor until they promised the Shipping Board that they would yield? In other words, they were blackjacked into giving up their mail contract.

Mr. FLETCHER. I have here the statement about that. That is not quite the case. They did not have any authority to operate these seatrains coastwise until they got that permission from the Shipping Board, and the board had to consider that, and finally agreed to give them that permission, provided they did not claim the mail pay.

Now, I turn to page 141 of the House hearings, where Mr. Glover's statement appears in connection with what the Senator has just mentioned.

Mr. SMOOT. Mr. President, while the Senator is looking that up I would like to say to the Senator from New York that not only have they a contract but the Government of the United States advanced three-fourths of all the money to build the seatrain.

Mr. FLETCHER. That is true.

Mr. COPELAND. Mr. President, if the Senator will permit me, I am very jealous of these contracts because of my interest in the American merchant marine. I have no particular interest in the Seatrain Co., but I want to know whether or not there was a contract, or is in existence a contract, between the Seatrain Co. and the Postmaster General, a legal contract binding on the United States Government, and if there is such a contract, the burden of proof certainly is upon those who seek to abrogate it to show cause why that should be done.

Mr. FLETCHER. I see the Senator's point. The contract was made with them to carry the mail between New Orleans and Habana. Now they are operating between New Orleans and New York, and they are proposing now to change the contract. That is the subject now before the Postmaster General. They are endeavoring to change that contract, to modify the contract, as I have just read from the testimony, which means a completely new contract.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. KING. I just want to ask, if I may, did not the element of fraud enter into the contract between the Postmaster General and this company; that is to say, did not the company make representation for the purpose of inducing the Postmaster General to enter into this contract, the representation being to the effect that they were going to operate only between New Orleans and Habana, that it was to be a mail train, but back of it was the purpose to operate to New York, and then evade the law by stopping en route, so that there was the element of fraud?

Mr. McKELLAR. Mr. President, will the Senator yield to me for just a statement upon that point?

Mr. FLETCHER. I yield.

Mr. McKELLAR. In the very first place, when the advertisement was made, in August, 1931, for this contract, although the law required competitive bidding, the Postmaster General provided there should not be any competitive bidding by putting this provision in the invitation—a provision that the contractors should have constructed in American shipyards two new cargo vessels capable of carrying not less than 90 railroad cars. No other concern could comply with such a stipulation except this concern.

Mr. FLETCHER. I will take just a moment more. I want to make one more point. I read from the testimony of Mr. Glover, Assistant Postmaster General, as it appears on page 141 of the House hearings:

The CHAIRMAN. We had last year a controversy in reference to the Seatrain. That comes under this item?

Mr. GLOVER. Yes; that is the last one, I think.

The CHAIRMAN. What about that?

Mr. GLOVER. That is rather an involved question, Mr. Chairman and gentlemen, and I am sure the Postmaster General defends his right to make that contract. That was a good contract. There is nothing the matter with the Seatrain contract, the way the Postmaster General made it.

If the Senator from New York will do me the honor to listen, I am trying to reach the point he asked about. This is the testimony of the Assistant Postmaster General before the House committee. He tells about the contract and then says:

But bear in mind that the operation of that line has changed very materially since the Postmaster General made that contract.

They went into the intercoastal business, and the Postmaster General has never recognized that. If they had performed the service under the contract from New Orleans to Habana, they would have been entitled to their mail pay; and I am not certain that they are not entitled to their mail pay now, because they have, under the contract filled every requirement.

But when they went into the question of taking loaded cars from New Orleans to Habana and then taking them to New York, they entered the intercoastal trade.

I am not questioning the fact that that is not good service from your State, Tennessee, for instance, taking loaded cars to New Orleans, then taking them by water at greatly reduced rates and delivering them to New York, and then delivering the cars via the New York Central Railroad to Albany, and saving considerable freight charges. But that is not the question.

The Shipping Board has advanced money for two seatrain boats, built in American yards. There is no question about the one built on the other side. The Comptroller General has already passed on the validity of that.

The Shipping Board loaned them the money for these two boats, but when they started in on the coastal trade they had great objection from the local steamship companies which operate from New York to Habana and from New York to New Orleans and from New Orleans to Habana, and also from the eastern railroads, who were getting the haul from the interior points.

So, to permit the Seatrain Co. to start their service—and they did not want to delay the operation of the two boats—they willingly agreed with the Shipping Board that as long as they were engaged in the intercoastal trade there was to be no mail pay.

Referring to the question raised by the Senator from Pennsylvania, I call his attention to the statement in the hearings on page 146:

The CHAIRMAN. All three ships are in service?

Mr. GLOVER. Yes. They had a vessel which was to sail on Thursday night at 3 o'clock, and the Shipping Board said, "Nothing doing. We will not pay you this additional amount of money you owe to the Sun Shipbuilding Co. in Wilmington."

Then they drew up this letter and this agreement and they took it out of the hands of the Post Office Department. I question whether they had that right—that is, the Shipping Board. The Postmaster General was not consulted.

They made this agreement and then they gave them a lift order, and the vessel sailed that night about 8 o'clock on the first trip, some time in September.

To the best of my knowledge and belief that service is now in operation between New Orleans and Habana and from Habana to New York.

The CHAIRMAN. So they are really operating between New Orleans and New York via Habana?

Mr. GLOVER. Yes, sir.

Their contract with the Post Office Department is to carry mail between New Orleans and Habana, and they are doing that without pay now.

Mr. REED. Mr. President, will the Senator permit an interruption there?

Mr. FLETCHER. Yes.

Mr. REED. Is it not a fact that the mail contract they had provided that the contract should be forfeited if they did not sail by May 31, 1932, and that the Shipping Board held them up to that very day before it would give them permission to sail? And, of course, the owners were desperate by that time; they saw themselves being forced to forfeit their contract with the Government because of what another arm of the Government was compelling them to do. Finally, in their desperation, they agreed to forego any compensation from their mail contract if the Shipping Board would let them get that ship out of the port before the deadline was reached. That is the reason why they did that. You might as well take a man by the throat and choke his confession out of him and then claim that you had not done it by duress.

Mr. FLETCHER. There has been a good deal of detail in this and we will not have time to go into that now, and the controversy relates to the contract and with reference to their plans and that sort of thing. The Shipping Board were within their rights. This mail-pay business is pledged, and the Shipping Board has a part of their security. Of course, if they were about to do something that would violate their contract, or under which they could not get their pay, the Shipping Board would be interested in that, and they would not allow them to move their ships and start the service until they were sufficiently protected, and they were protected by the agreement that they would not have their pay for six months.



Now, let me read just one more line:

Their contract with the Post Office Department is to carry mail between New Orleans and Habana, and they are doing that without pay now. They waived their right to that pay—

This is Mr. Glover speaking.

They waived their rights to that pay so they could perform this intercoastal service, and the Shipping Board is having hearings now with the idea of threshing out the question whether they are going to permit a Shipping Board loan, loaned exclusively for the building of vessels to be engaged in plying between an American port and a foreign port—whether they are going to give them the right to use it for a vessel plying between intercoastal ports.

Then the chairman asked the question, and Mr. Glover said:

We have threshed it out, the Postmaster General and myself, and I think they could beat us in a court of law. But I do not think the present Postmaster General will modify that contract so that they will be entitled to any mail pay if they insist on operating in the intercoastal service.

Mr. COPELAND. What was the statement about the court of law? I did not catch that. The Senator said something about the Postmaster General thinking that the Seatrain Co. could beat the Government in a court of law.

Mr. FLETCHER. He indicated that. Mr. Glover said:

I do not think the present Postmaster General will modify that contract so that they will be entitled to any mail pay if they insist on operating in the intercoastal service.

Mr. COPELAND. What does he say further about a court of law?

Mr. FLETCHER. He thinks they could sue on their contract, I assume; but they have applied for a modification of the contract. If they were suing on the contract and standing on the contract and operating between New Orleans and Habana, they could sue.

Mr. COPELAND. What was the date of that colloquy?

Mr. FLETCHER. It appears on page 146 of the House hearings.

Mr. COPELAND. Of this year?

Mr. FLETCHER. Yes; on this very bill. I am reading testimony with reference to the pending bill.

Mr. COPELAND. Is there a question in the mind of the Senator as to the pay they could get for carrying mail between New Orleans and Habana?

Mr. FLETCHER. I think they would have to make an entirely new contract.

Mr. COPELAND. The Senator thinks the whole contract has been vitiated by reason of the intercoastal service?

Mr. FLETCHER. Yes; because the contract provides for the carrying of mail between New Orleans and Habana, not for service between New Orleans and New York.

Mr. REED. They are not proposing to carry mail to New York, are they?

Mr. FLETCHER. I do not know whether they propose to carry it or not. They carry hardly any mail at all.

Mr. REED. They are performing their contract in every respect between New Orleans and Habana?

Mr. FLETCHER. We had a contract with the United Fruit Co. to carry the mail more quickly and better than this. This is a freight line; they ought not to carry any mail at all. I am not commenting about their contract between New Orleans and Habana. The same boat takes the mail to Habana and goes on to New York loaded with freight, and then comes back from New York to New Orleans. The voyage is from New Orleans to New York and not merely from New Orleans to Habana. They stop at Habana incidentally on the way to New York in order to get this \$240,000 a year for carrying the mail.

Mr. ODDIE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Nevada?

Mr. FLETCHER. I yield.

Mr. ODDIE. I would like to have the clerk read a letter from the Postmaster General to the Seatrain Co., dated January 11, which I think will throw some light on this question, and I will also ask that there be printed in the Record immediately following it a letter from the Seatrain Co. to the Postmaster General.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will read as requested.

The legislative clerk read as follows:

JANUARY 11, 1933.

SEATRIN LINES (INC.),  
39 Broadway, New York, N. Y.

GENTLEMEN: Receipt is acknowledged of your letter of January 9, 1933, in which you state that, in consideration of the permission granted you by the Shipping Board in its resolutions of October 6 and December 21, 1932, to engage temporarily in coastwise trade between New Orleans and New York by way of Habana, you desire to request a modification of your contract on ocean mail route No. 56, between New Orleans and Habana, so that you shall be paid thereunder, during the period of said coastwise operation between the above-named points, only such proportion of the pay named in the contract as the revenue earned on outward voyages over the mail route from foreign traffic bears to the total revenue earned on such voyages, the revenue from other trade from New Orleans to Habana being taken as such proportion of the revenue on coastwise trade from New Orleans to New York as the distance from New Orleans to Habana bears to the total distance from New Orleans via Habana to New York.

In view of the premises and considerations stated in your letter, it would, in my opinion, be in the interest of the Government to accept your proposal, and I hereby agree to the modification of the contract on ocean mail route No. 56 accordingly.

Very truly yours,

WALTER F. BROWN.

The PRESIDENT pro tempore. The Senator from Nevada asks that a second letter be printed in the Record. Without objection, it is so ordered.

The letter is as follows:

JANUARY 9, 1933.

The POSTMASTER GENERAL,  
Washington, D. C.

SIR: The contract for ocean mail service on route No. 56 made the 31st day of October, 1931, by the United States of America, represented by the Postmaster General, and the Seatrain Lines (Inc.), provides, inter alia, that the latter undertakes, covenants, and agrees with the United States of America, pursuant to the provisions of the merchant marine act, 1928, and the advertisement of the Postmaster General, as follows:

"1. (a) To carry all mails of the United States offered, whatever may be the size or weight thereof, or the increase therein during the term of this contract, in a safe and secure manner, free from wet or other injury, from New Orleans, La., to Habana, Cuba, on a schedule approved by the Postmaster General, that shall include not less than 50 trips per annum during the first two years and not more than 100 trips per annum during the remainder of the contract term (subject to other provisions of this contract for increase or decrease in frequency).

"(g) To provide and operate in the performance of this contract, cargo vessels of class 5, capable of carrying not less than 90 railroad cars and of maintaining a speed of 13 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 6,500 tons.

"(h) To have constructed in American shipyards two new cargo vessels of class 5, capable of carrying not less than 90 railroad cars and of maintaining a speed of 14 knots at sea in ordinary weather and of a gross registered tonnage of not less than 6,500 tons, and place them in service in lieu of or in addition to vessels specified in paragraph (g) hereof, as soon as practicable, but not later than the end of the second year of the term of this contract.

"6. (a) That the term of this contract shall be 10 years, beginning at a date optional with the contractor but not earlier than January 1, 1932, or later than October 31, 1932."

Seatrain Lines (Inc.) has constructed in an American shipyard, in compliance with the terms of said contract, two new cargo vessels which have met the requirements referred to in paragraph 1 (h) above. One of said vessels was placed in service from New Orleans to Habana on the 13th day of October, 1932, and the second vessel on the 20th day of October, 1932. Since said dates said vessels have made regular sailings weekly from New Orleans to Habana and have been and now are ready, able, and willing to perform all of the services required of Seatrain Lines (Inc.) by said mail contract.

Said vessels were constructed with the aid of construction loans under and pursuant to agreements made the 3d day of December, 1931, between Seatrain Lines (Inc.) and the United States of America, represented by the United States Shipping Board. Said agreement contained, inter alia, the following provision:

"Sec. 38. The vessel will be operated in maintaining service on lines between New Orleans, La., and Habana, Cuba, and in other exclusive foreign service between Atlantic and/or Gulf ports and Cuba, or in such other service or services as the board may by resolution hereafter authorize, and not otherwise."

The United States Shipping Board, by a resolution adopted October 6, 1932, and subsequently amended by a resolution adopted December 21, 1932, has authorized Seatrain Lines (Inc.) to carry coastwise trade between the ports of New York and New Orleans

via Habana in the new Seatrain vessels for a period of six months from October 6.

Said vessels, ever since the adoption of said resolution on October 6, have been and now are engaged in foreign trade between New Orleans and Habana and New York, and vice versa, and at the same time in coastwise trade between New Orleans and New York via Habana, and vice versa. While thus simultaneously carrying foreign trade from New Orleans to Habana and coastwise trade from New Orleans via Habana to New York, said vessels have performed the full mail contract service between New Orleans and Habana and have transported all cargo offered in foreign trade between said ports, all in compliance with said mail contract and construction-loan agreements.

Inasmuch as the total mail compensation payable under said mail contract will, through the performance by said vessels of not less than 50 voyages per annum during the first two years and 100 voyages per annum during the remaining eight years of the term of said contract, being the schedule approved by the Postmaster General pursuant to section 1 (a) of said mail contract, amount to a sum which will be somewhat less than the excess costs of building said vessels in the United States and operating them under the American flag over what would have been the costs of their construction in foreign shipyards and of their operation under foreign flags; and as the mail compensation payable under and pursuant to the provisions of the merchant marine act, 1928, is designed to meet the amount of such differentials in costs so as to place the owner of an American vessel engaged in a foreign trade substantially on a parity with the owner of a similar foreign vessel in such trade as respects capital costs and costs of operation; and as Seatrain Lines (Inc.) is and will be benefited by reason of the authorization of the United States Shipping Board to carry coastwise trade between New Orleans and New York via Habana while fully performing said mail contract and maintaining its full foreign service under and pursuant to said construction-loan agreements, Seatrain Lines (Inc.) does not conceive it to be fair to the United States in the circumstances stated that it, Seatrain Lines (Inc.), should accept and retain the full mail compensation payable under said contract while it is simultaneously carrying foreign and coastwise trade in said vessels on said mail route between New Orleans and Habana.

Now, therefore, in consideration of the premises, Seatrain Lines (Inc.) hereby offers and undertakes, so long as it shall by reason of an authorization of the United States Shipping Board carry coastwise trade between New Orleans and New York via Habana while performing said mail contract on route No. 56, to relinquish to the United States, and to waive all claims to, such proportion of the full mail compensation which would be payable under and in accordance with the terms and conditions of said mail contract as the revenue earned on the outward voyages on said route No. 56 by Seatrain Lines (Inc.) with the vessels performing said mail contract from coastwise trade from New Orleans to Habana bears to the total revenue earned as aforesaid on both foreign and coastwise trade from New Orleans to Habana, the revenue from coastwise trade from New Orleans to Habana being taken as such part of the revenue on coastwise trade from New Orleans to New York as the distance from New Orleans to Habana bears to the total distance from New Orleans via Habana to New York.

SEATRIN LINES (INC.),  
By GRAHAM M. BRUSH,  
President.

Witness:

G. S. AMORY.

Attest:

DONALD D. GRAVES,  
Assistant Secretary.

Mr. FLETCHER. Mr. President, I want to call the attention of the Senate to Mr. Glover's testimony at page 142 of the hearings, where he said:

But if they had gone ahead with the service from New Orleans to Habana, that would have been all right. I do not question that. I have my own mind about the usefulness of that service.

The CHAIRMAN. Would not the Government get into hot water if it undertook to give them the service from Habana to New York in competition with other coastal lines?

Mr. GLOVER. I agree with you, sir. It would be paralleling some of the lines already under contract. Those contracts are covered somewhere in the list of foreign contracts.

The CHAIRMAN. You have not spent anything on the Seatrain this year?

Mr. GLOVER. No, sir.

The CHAIRMAN. You do not think you will spend any?

Mr. GLOVER. I think it is a safe bet.

In other words, they do not expect to spend this money that is asked for in the appropriation bill. They do not need it and they do not expect to spend it.

Mr. REED. They will spend it in the next fiscal year for which we are appropriating.

Mr. FLETCHER. He said he did not think they would spend anything.

Mr. COPELAND. Mr. President, if the Senator will permit me, I want to call the attention of the Senate to the hearings where the chairman inquired:

Suppose the Shipping Board were to decide they would permit that, which it seems to me ought not to be done, but suppose they should decide they would permit that—

Meaning to do this intercoastal work in addition to carrying the mail to Cuba—

would the Post Office Department contract apply under those circumstances?

This is the reply, and this is the thing I think we ought to ponder somewhat:

Mr. GLOVER. We think the Seatrain Co. could collect without any doubt. We have threshed it out, the Postmaster General and myself, and I think they could beat us in a court of law.

Mr. McKELLAR. Is Mr. Glover a lawyer?

Mr. COPELAND. I do not know.

Mr. FLETCHER. That is based on the idea that they have a legal right to engage in coastwise business; that they are not absolutely confined to the transfer of mails from New Orleans to Habana at all. Suppose they are given that right, then he says they can collect. Maybe he is right, but that is based on a change of conditions and a change of contract entirely.

Mr. McKELLAR. I want to ask a question about the situation in the House. The House voted on this bill, did it not?

Mr. FLETCHER. Yes.

Mr. McKELLAR. They had a yea-and-nay vote. We are talking about something that we have no more chance to put in the bill than to fly to heaven, in my judgment. The House will not change its view. Whatever we may do with it in the Senate, we would have to let the provision go to conference, and we know it will not be allowed to remain in the bill in conference.

#### URGENT DEFICIENCY APPROPRIATIONS

Mr. HALE. Mr. President, from the Committee on Appropriations I report back favorably, without amendment, the bill (H. R. 14436) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the bill.

Mr. McKELLAR. Mr. President, I have no objection if it will not lead to debate.

Mr. HALE. I do not believe it will lead to any debate.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the deficiency appropriation bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HALE. Mr. President, this is the deficiency bill which was recently vetoed by the President on account of a provision in the bill relating to income-tax refunds. The House has passed the bill exactly as it was formerly passed by the two bodies, but leaving out altogether an item of \$28,000,000 for tax refunds. The Senate Appropriations Committee has approved the bill as passed by the House of Representatives and has so reported it without amendment. I ask that the formal reading of the bill be dispensed with.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The bill is open to amendment.

Mr. BINGHAM. Mr. President, as the chairman of the Appropriations Committee has stated, the House in sending the bill to the Senate left out a \$28,000,000 item relating to that amount of money which we collected from the taxpayers due to their desire to get their income taxes paid and their hope that some day they might get an abatement in case the points in dispute should be settled in their favor. The Treasury Department has decided that we collected some \$28,000,000 too much from these taxpayers and recommended the refund to them of the money.

It seems to me that in honesty and fairness to our creditors we ought to make provision to pay them the money. There-



fore I move that there be inserted in the proper place the item of \$28,000,000 for refunds.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut.

Mr. McKELLAR. Mr. President, I want to state that I understood that we had an agreement that the bill should be passed without this item in it. I was advised that this would be so, and so I advised the chairman of the House Committee on Appropriations. The House took that view of it and the Appropriations Committee of the Senate has taken that view of it. I hope the amendment of the Senator from Connecticut will be voted down. The Senate Appropriations Committee overwhelmingly voted it down a while ago and I hope it will be voted down now by the Senate.

Mr. BINGHAM. Mr. President, the Senator from Tennessee implies that I have broken an agreement.

Mr. McKELLAR. Oh, no; not at all.

Mr. BINGHAM. I knew of no agreement that this money should not be paid. No such agreement was mentioned at the committee meeting which the Senator from Tennessee and I attended. The matter was brought before the committee and after a very brief discussion it is quite true that the motion which I made was voted down. That does not break on my part any agreement. I announced at the committee meeting that I would move to take it up on the floor of the Senate.

Mr. McKELLAR. I am making no charge of that kind against the Senator from Connecticut.

Mr. BINGHAM. Mr. President, where the United States owes money which it agrees it owes, and which has been carefully gone into by the Budget and by the House previously and approved by them, I feel very strongly that the payment of the money should be approved by the Senate, and we ought not to keep our creditors waiting any longer than is necessary.

I do not desire to prolong the debate at all and I shall not take advantage of any privilege of having the bill go over for a day. I do want to go on record as stating my belief that when the United States Government owes its creditors money and admits it the money ought to be paid, and paid promptly.

Mr. HALE. Mr. President, there is no question in any way of the Senator from Connecticut breaking faith or of anyone else breaking faith. It was thought that if we could get rid of the refund item for the time being, we could get the bill passed with the District of Columbia item in it. It is vitally essential that that item should go through to-day. The District Commissioners have a pay roll of some \$23,000 which they must meet to-morrow. There are some 3,500 families dependent on getting the bill passed. The District is in debt some \$45,000 and we must get this bill passed in order to enable the District Commissioners to carry on their work. I hope very much that we may have a vote on the Senator's amendment, and I hope the amendment will be defeated and the bill passed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut.

Mr. COSTIGAN. Mr. President, if a vote is to be taken on this matter, I shall feel under obligation to suggest the absence of a quorum.

Mr. McKELLAR. Mr. President, I hope the Senator will not do that. Let us see if we can not vote the amendment down.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut. [Putting the question.] The Chair is in doubt. Those in favor of the amendment will rise and stand until counted.

Mr. McKELLAR. Mr. President, if it is proposed to vote in that way, I shall suggest the absence of a quorum.

Mr. McNARY. Mr. President, will the Senator withhold that a moment?

Mr. McKELLAR. I will withhold it a moment, but I am not going to let this amendment be adopted in any such way as that.

Mr. McNARY. Mr. President, a number of Senators have left the Chamber with the impression that there would be no vote to-night. I think it would be exceedingly unfair to bring them back to-night, as would be the case if there is to be a roll call.

Mr. McKELLAR. Unless this amendment is withdrawn, there will certainly be a roll call, and we might as well understand it.

Mr. McNARY. I suggest, in view of the situation, that we now recess until 12 o'clock noon to-morrow, and I make that motion.

Mr. COSTIGAN. Mr. President, will the Senator withhold his motion for a moment?

Mr. McNARY. Very well; I withhold the motion.

#### INFORMATION FROM TARIFF COMMISSION

Mr. COSTIGAN. Mr. President, I trust the able Senator from Oregon [Mr. McNARY] and the Senators in charge of the pending bill will permit me to call up for immediate consideration two resolutions reported from the Committee on Finance with the recommendation that they pass. One of them is urgent.

Mr. McKELLAR. Mr. President, will the Senator state what they are?

Mr. COSTIGAN. The resolution to which I refer as urgent calls for a report by the 1st of February from the Tariff Commission. The resolutions are designed to supply the Senate with information which may be helpful to the incoming administration in inaugurating a tariff bargaining policy.

Mr. McNARY. Asking the Tariff Commission for information?

Mr. COSTIGAN. Precisely.

Mr. McNARY. In the usual form of such resolutions offered here?

Mr. COSTIGAN. It is, in my judgment, in the usual form, and it is understood that it will necessitate no discussion. I have spoken this afternoon to the chairman of the Committee on Finance about it. He stated that he would offer no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. REED. Mr. President, just a word of explanation before action shall be taken. The Senator from Oregon asked if the resolution was in the usual form. I think the resolution is in a most unusual form.

Mr. McNARY. I was going to ask to have it stated from the desk.

Mr. REED. It calls upon the Tariff Commission for its advice regarding the possibilities of fixing tariffs by collective bargaining with other countries. A majority of the Senate Finance Committee has voted for a favorable report, but a considerable number of us voted against it. I do not believe that we would have enough votes to defeat the resolution in the Senate, but I should be unwilling to have it go by without any comment and with the implication that everybody has agreed to it.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. BINGHAM. I object, Mr. President.

The PRESIDENT pro tempore. Objection is made.

#### RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Saturday, January 28, 1933, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 27, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou, our everlasting portion, who hast inclosed us in an everlasting past of goodness and a future of endless glory, we praise in our hearts Thy holy name. Thy mercy is as constant as the stars that never set, as the mountains that never move, and as the tide that never forgets to flow. O Lord of all being, to each loving heart how very near Thou art. Day by day be present with this Congress. May we here realize the richness of life, its glorious opportunities with their vast outlook and their inexpressible joys. O God, journey with us as we pass through the gateway of this noonday hour. Amen.

The Journal of the proceedings of yesterday was read and approved.

## INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM, from the Committee on Appropriations, by direction of that committee, reported the bill (H. R. 14458, Rept. No. 1922) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, which was referred to the Union Calendar and ordered printed.

Mr. TABER reserved all points of order.

## RECONSTRUCTION FINANCE CORPORATION

The SPEAKER laid before the House the following communication, which was placed in the archives of the House.

RECONSTRUCTION FINANCE CORPORATION,  
Washington, January 26, 1933.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Sir: In the report submitted by the Reconstruction Finance Corporation under date of January 25, 1933, pursuant to House Resolution 335, the loan made by the corporation to the Bronx County Trust Co., New York, N. Y., was reported as having an unpaid balance of \$441,400 at the close of business January 6, 1933, whereas the loan was paid in full prior to that date. The column headed "Repayments on principal" should show repayments of \$555,125 with respect to this loan, and the column headed "Balance outstanding" should show nothing outstanding.

Respectfully,

ATLEE POMERENE, Chairman.

Mr. HOWARD. Mr. Speaker, as the author of the resolution requesting a report of the doings of the Reconstruction Finance Corporation during the months of February, March, April, May, and June, 1932, and well aware of the great burden imposed upon the corporation in preparation of its doings during the designated months, and in such limited time, I trust the House may be pleased to look lightly and generously upon any slight errors which may have crept into the report. Indeed it would be akin to a miracle if the voluminous report, prepared in such haste as requested by the House, should be wholly free from error. I am confident that the corporation will be entitled to commendation because of the almost perfect compilation of such vast figures, rather than to condemnation because of one slight error, as noted in the communication of the corporation just now read to the House.

## THE DEFICIENCY BILL

Mr. BYRNS, chairman of the Committee on Appropriations, by direction of that committee, reported the bill (H. R. 14436, Rept. No. 1923) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, which was referred to the Union Calendar and ordered printed.

Mr. TABER reserved all points of order.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the bill be taken up now for consideration and be considered in the House as in Committee of the Whole.

May I say that this bill is exactly the same bill which passed the House and the Senate and went to the President the other day, with the refund item of \$28,000,000 eliminated.

Mr. SNELL. I think the gentleman's statement is proper, and the bill ought to be passed as soon as possible; but I am wondering why the refund item of \$28,000,000 was left out. I understand that these have been determined and are judgments against the United States and that we will have to pay 6 per cent interest on them—

Mr. BYRNS. Four per cent.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. STAFFORD. It is 6 per cent on all claims that arose prior to the time of the adjudication, but those since July 1 carry 4 per cent.

Mr. BYRNS. Under the economy act I think it is 4 per cent. I will say this: I had this looked up and investigated and computed, and if no appropriation is made for this refund before the last of April, it will amount to less than \$100,000. They have some on hand now. This item can be carried in the next deficiency bill, which will come along in a week or two.

Mr. SNELL. It makes an additional expenditure for the Government.

Mr. BYRNS. To that extent, but as I understand, we are confronted with a serious situation in the city involving the health and happiness and possibly the lives of a great many people.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. CHINDBLOM. With reference to the interest on the refunds I have given some attention to the matter, and figuring the difference in the interest to the taxpayers who are to receive the refund and credit and the interest to be paid by the Government on this \$28,000,000 refund and credit will cost the Government and the taxpayers at the rate of \$800,000 per annum.

Mr. LAGUARDIA. Reserving the right to object, Mr. Speaker, of course, there are two schools of thought on this question of refunding, particularly as to the rights of the legislative branch of the Government to control, without limitation or qualification, the expenditure of public funds. I rise to ask the gentleman whether we will have an opportunity when the matter comes up to put a proviso and limitation upon the appropriation if the committee does not do it.

Mr. BYRNS. I do not think that that could be denied the gentleman if we desired to do so. There will be no inclination upon my part, and I am sure upon the part of the committee, to deny the gentleman that opportunity.

Mr. BLANTON. Mr. Speaker, reserving the right to object, if this bill had been signed when it reached the White House last week, and it had not been vetoed, this money would have been paid by now and there would not have been any interest to be considered at all.

Mr. SNELL. That may be true, but there was a definite constitutional question involved, and the President gave attention to the highest authority we have on these matters, the Attorney General of the United States. He was right in doing what he did.

Mr. BLANTON. On a frivolous matter.

Mr. SNELL. No; it was not a frivolous matter, and the gentleman knows it.

Mr. BLANTON. I did not yield. On the contrary, I say it was frivolous for that big deficiency bill to be vetoed simply because it reserved to Congress its right to pass upon all refunds over \$20,000.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to consider the bill in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk proceeded to read the bill.

Mr. BYRNS (interrupting the reading). Mr. Speaker, I made the statement to the House that this bill is an exact copy of the bill as it passed both bodies, with the elimina-



tion of the tax fund. I ask unanimous consent that the further reading of the bill be dispensed with.

The SPEAKER. Is there objection to dispensing with further reading of the bill?

There was no objection.

The bill referred to is as follows:

H. R. 14436

A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes

*Be it enacted, etc.,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, namely:

#### TITLE I

##### LEGISLATIVE BRANCH

##### Senate

To pay to Anna R. Waterman, widow of Hon. Charles W. Waterman, late a Senator from the State of Colorado, \$9,000.

To pay to Minda N. Jones, widow of Hon. Wesley L. Jones, late a Senator from the State of Washington, \$9,000.

Office of Sergeant at Arms and Doorkeeper: For two telephone operators, at \$1,560 each per annum, from March 1 to June 30, 1933, \$1,040.

For miscellaneous items, exclusive of labor, fiscal year 1933, \$20,000.

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1933, \$40,000.

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate under the supervision of the Committee on Rules, United States Senate, fiscal year 1933, \$15,000.

##### House of Representatives

To pay the widow of Daniel E. Garrett, late a Representative from the State of Texas, \$9,000.

To pay the widow of Charles A. Karch, late a Representative from the State of Illinois, \$9,000.

To pay the widow of J. Charles Linthicum, late a Representative from the State of Maryland, \$9,000.

To pay the widow of Henry St. George Tucker, late a Representative from the State of Virginia, \$9,000.

The four foregoing appropriations to be disbursed by the Sergeant at Arms of the House.

Committee on Revision of the Laws: For the employment of competent persons to assist in continuing the work of compiling, codifying, and revising the laws and treaties of the United States, fiscal years 1933 and 1934, \$3,000.

##### Joint Committee on Inaugural Ceremonies of 1933

To enable the Secretary of the Senate and the Clerk of the House of Representatives to pay the necessary expenses of the inaugural ceremonies of the President of the United States, March 4, 1933, in accordance with such program as may be adopted by the joint committee of the Senate and House of Representatives, appointed under a concurrent resolution of the two Houses, including the pay for extra police, fiscal year 1933, \$35,000.

##### EXECUTIVE OFFICE AND INDEPENDENT ESTABLISHMENTS

##### Executive office

Protection of interests of the United States in matters affecting oil lands in former naval reserves: For an additional amount for expenses of special counsel and for all other expenses, including employment of experts and other assistants at such rates as may be authorized or approved by the President, in connection with carrying into effect the joint resolution directing the Secretary of the Interior to institute proceedings touching sections 16 and 36, township 30 south, range 23 east, Mount Diablo meridian, approved February 21, 1924, \$5,000, to be expended by the President.

##### OFFICE OF PUBLIC BUILDINGS AND PUBLIC PARKS OF THE NATIONAL CAPITAL

Salaries: For an additional amount for personal services in the District of Columbia and elsewhere, including the same objects specified under this head in the independent offices appropriation act for the fiscal year 1933, \$21,900.

General expenses: For an additional amount for general expenses in connection with the maintenance and care of public buildings, including the same objects specified under this head in the independent offices appropriation act for the fiscal year 1933, \$9,415.

##### United States Geographic Board

Printing and binding: For an additional amount for printing and binding for the United States Geographic Board, fiscal year 1933, \$1,700.

##### DISTRICT OF COLUMBIA

##### Public welfare

Emergency relief of residents, District of Columbia: For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia, by loan, employment, and/or direct relief, under rules and regulations to be prescribed by the Board of Commissioners, and without regard to the provisions of any other law, payable from the revenues of the District of Columbia, fiscal year 1933, \$625,000: *Provided*, That not to exceed \$50,000 of this appropriation shall be available for administrative expenses including necessary personal services.

##### DEPARTMENT OF AGRICULTURE

##### Forest service

Salaries and expenses (fighting and preventing forest fires): For an additional amount for fighting and preventing forest fires, fiscal year 1933, including the same objects specified under this head in the agricultural appropriation act for the year 1933, \$1,000,000.

For payment to Charles Lamkin, of Banning, Calif., as authorized by Private Act No. 159, Seventy-second Congress, entitled "An act for the relief of Charles Lamkin," approved July 13, 1932 (47 Stat., Pt. 2, 82), \$66.

##### DEPARTMENT OF JUSTICE

##### Contingent expenses

For an additional amount for contingent expenses, Department of Justice, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1930, \$331.52.

##### Miscellaneous objects

Detection and prosecution of crimes: The amount which may be expended for personal services in the District of Columbia from the appropriation "Detection and prosecution of crimes, 1933," is hereby increased from \$477,356 to \$523,851.

Marshals, district attorneys, clerks, and other expenses of United States courts

Fees of commissioners: For additional amounts for fees of United States commissioners and justices of the peace acting under section 1014, Revised Statutes of the United States (U. S. C., title 18, sec. 591), for the fiscal years that follow:

For 1925, \$138.50;

For 1930, \$1,007.15;

For 1931, \$3,275.80;

For 1932, \$43,812.67.

Fees of jurors and witnesses: For an additional amount for fees of jurors and witnesses, United States courts, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, \$11,356.85.

Pay of bailiffs, etc.: For an additional amount of pay of bailiffs, etc., United States courts, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, \$1,261.07.

Miscellaneous expenses: For an additional amount for such miscellaneous expenses as may be authorized or approved by the Attorney General for the United States courts and their officers, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1930, \$244.55.

##### Penal and correctional institutions

United States Hospital for Defective Delinquents, construction: For an additional amount for United States Hospital for Defective Delinquents, construction, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1933, \$177,983, to remain available until expended.

Support of United States prisoners: The sum of \$185,000 is hereby transferred from the appropriation "Federal jails, 1932," to the appropriation "Support of United States prisoners, 1932."

##### DEPARTMENT OF LABOR

##### Bureau of Immigration

Salaries and expenses: The amount authorized to be expended for personal services in the District of Columbia during the fiscal year 1933 from the appropriation for salaries and expenses, Bureau of Immigration, is hereby increased from \$300,000 to \$320,000.

##### Employment Service

For an additional amount for the Employment Service, including the same objects and under the same limitations specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1933, \$200,000.

##### NAVY DEPARTMENT

##### Secretary's office

Claim for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the act entitled "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels," approved December 28, 1922 (U. S. C., title 34, sec. 599), as fully set forth in Senate Document No. 166 and House Document No. 503, Seventy-second Congress, \$1,858.58.



*Public works, Bureau of Yards and Docks*

The limit of cost of the buildings, equipment, accessories, utilities, and appurtenances for the naval hospital at Philadelphia, Pa., authorized by the act approved February 12, 1931 (46 Stat. 1091), shall be as prescribed in such act, any provision in the act approved June 30, 1932 (47 Stat. 436), to the contrary notwithstanding: *Provided*, That section 320 of the act approved June 30, 1932 (47 Stat. 412), shall not be applicable to such project.

## POST OFFICE DEPARTMENT

*Out of the postal revenues—Office of the chief inspector*

Payment of rewards: For an additional amount for payment of rewards, including the same objects specified under this head in the act making appropriations for the Post Office Department for the fiscal year 1932, \$26,500.

*Office of the Fourth Assistant Postmaster General*

Not to exceed \$3,000 of the appropriation "Rent, light, and fuel, 1933," may be expended for payment as a compromise settlement in connection with the cancellation of the lease at Highland, Ill., which expires September 30, 1937, and which cancellation is necessary because of the occupancy of a Federal building.

## DEPARTMENT OF STATE

General disarmament conference, Geneva, Switzerland: For an additional amount for the expenses of participation by the United States in a general disarmament conference at Geneva, Switzerland, as authorized by Public Resolution No. 6, approved January 20, 1932, and for each and every purpose connected therewith, including per diem allowances in accordance with the subsistence expense act of 1926, as amended (U. S. C., Supp. VI, title 5, chap. 16), and other traveling expenses; personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent of offices and rooms; purchase of necessary books, and documents; printing and binding; official cards; entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; and such other expenses as may be authorized by the Secretary of State, fiscal year 1933, to remain available until June 30, 1934, \$150,000.

Mixed Claims Commission, United States and Germany: For an additional amount for expenses of determining the amounts of claims against Germany by the Mixed Claims Commission established under the agreement concluded between the United States and Germany on August 10, 1922, and subsequent agreement between those Governments, for the determination of the amount to be paid by Germany in satisfaction of the financial obligations of Germany under the treaty concluded between the Governments of the United States and Germany on August 25, 1921, including the expenses which under the terms of such agreement of August 10, 1922, are chargeable in part to the United States, and the preparation of a final report by the American commissioner and the orderly arrangement for preservation and disposition of the records of the commission; and the expenses of an agency of the United States to perform all necessary services in connection with the preparation of claims and the presentation thereof before said Mixed Claims Commission, and the preparation of a final report of the agent and the orderly arrangement for preservation of the records of the agency and the disposition of property jointly owned by the two Governments, including salaries of an agent and necessary counsel and other assistants and employees, rent in the District of Columbia, employment of special counsel, translators, and other technical experts, by contract, without regard to the provisions of any statute relative to employment, and for contract stenographic reporting services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), law books and books of reference, printing and binding, contingent expenses, traveling expenses, press-clipping service, and such other expenses in the United States and elsewhere as the President may deem proper, fiscal year 1933, \$40,000: *Provided*, That the appropriation made for this commission for the fiscal years 1932 and 1933 by the first deficiency act, fiscal year 1932, shall be available for payments heretofore or hereafter made for press-clipping service.

## WAR DEPARTMENT

*Military activities—Quartermaster Corps*

Acquisition of land, Fort Knox, Ky.: For the completion of the acquisition of approximately 75 acres of land at Saunders Spring, Ky., for the construction of a water-supply system for Fort Knox, Ky., authorized by the act approved July 3, 1926 (44 Stat., p. 877), fiscal year 1933, \$250.

## TITLE II

## JUDGMENTS AND AUTHORIZED CLAIMS

*Damage claims*

SECTION 1. For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case," approved December 28, 1922 (U. S. C., title 31, secs. 215-217), as fully set forth in Senate Document No. 162 and House Document No. 509, Seventy-second Congress, as follows:

Veterans' Administration, \$37.50;  
Department of Agriculture, \$106.80;

Department of Commerce, \$1,086.20;  
Department of the Interior, \$1,246.08;  
Department of Justice, \$298.37;  
Navy Department, \$1,944.56;  
Post Office Department (out of the postal revenues), \$13,532.37;  
Treasury Department, \$1,456.56;  
War Department, \$3,948.23;  
In all, \$23,656.67.

*Judgments, United States courts*

SEC. 2. For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the Government of the United States," as amended by the Judicial Code, approved March 3, 1911 (U. S. C., title 28, sec. 41, par. 20; sec. 258; secs. 761-765), certified to the Seventy-second Congress in House Document No. 508, under the following departments and establishments, namely:

Department of Agriculture, \$1,885.81;  
Department of Commerce, \$400;  
Department of Labor, \$1,000;  
War Department, \$3,991.46;

In all, \$7,277.27, together with such additional sum as may be necessary to pay interest on the respective judgments at the rate of 4 per cent per annum from the date thereof until the time this appropriation is made.

For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States district courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes," approved March 3, 1925 (U. S. C., title 46, secs. 781-789), certified to the Seventy-second Congress in House Document No. 508, under the following departments, namely:

Navy Department, \$2,793;  
War Department, \$190;

In all, \$2,983, together with such additional sum as may be necessary to pay interest on any such judgment where specified therein and at the rate provided by law.

For the payment of the judgments, including costs of suits, rendered against the Government by United States district courts in special cases under the provisions of certain special acts and certified to the Seventy-second Congress in Senate Document No. 163 and House Document No. 508, under the following departments:

Navy Department, \$150;  
War Department, \$74,812.79;

In all, \$74,962.79, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

None of the judgments contained under this caption shall be paid until the right of appeal shall have expired except such as have become final and conclusive against the United States by failure of the parties to appeal or otherwise.

Payment of interest wherever provided for judgments contained in this act shall not in any case continue for more than 30 days after the date of approval of the act.

Section 319 of the act of June 30, 1932 (economy act) (47 Stat. 412), shall not apply to any judgment rendered against the United States prior to July 1, 1932. Appropriations for the payment of any such judgment and interest thereon shall be available for the payment of principal and interest in accordance with the terms of such judgment and the appropriation therefor, notwithstanding the provisions of sections 319 and 803 of such act.

*Judgments, Court of Claims*

SEC. 3. For payment of the judgments rendered by the Court of Claims and reported to the Seventy-second Congress in Senate Document No. 164 and House Document No. 504, under the following departments and establishments, namely:

United States Veterans' Administration, \$6,335.21;  
Navy Department, \$675,565.68;  
Treasury Department, \$6,238.43;

War Department, \$49,950; in all, \$738,089.32, together with such additional sum as may be necessary to pay interest on certain of the judgments as and where specified in such judgments.

None of the judgments contained under this caption which have not been affirmed by the Supreme Court or otherwise become final and conclusive against the United States shall be paid until the expiration of the time within which application may be made for a writ of certiorari under subdivision (b), section 3, of the act entitled "An act to amend the Judicial Code, and to further define the jurisdiction of the circuit courts of appeals and of the Supreme Court, and for other purposes," approved February 13, 1925 (U. S. C., title 28, sec. 288).

*Audited claims*

SEC. 4. For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1930 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in House Document No. 510, Seventy-second Congress, there is appropriated as follows:



*Legislative*

For Capitol, building and repairs, \$21.

*Independent offices*

For Federal Trade Commission, \$24.60.  
 For salaries and expenses, United States Shipping Board, \$5.62.  
 For medical and hospital services, Veterans' Bureau, \$36,011.30.  
 For military and naval compensation, Veterans' Administration, \$2,169.48.  
 For salaries and expenses, Veterans' Bureau, \$136.50.  
 For vocational rehabilitation, Veterans' Bureau, \$123.72.  
 For hospital facilities and services, Veterans' Bureau, \$428.82.  
 For Army pensions, \$333.73.  
 For investigation of pension cases, Pension Office, \$11.20.  
 For salaries and expenses, employees' retirement act, Bureau of Pensions, \$2.

*District of Columbia*

For general expenses, public parks, District of Columbia, \$450, payable from the revenues of the District of Columbia.

*Department of Agriculture*

For salaries and expenses, Extension Service, \$4.80.  
 For salaries and expenses, Weather Bureau, \$5.  
 For salaries and expenses, Bureau of Animal Industry, \$368.15.  
 For salaries and expenses, Bureau of Plant Industry, 50 cents.  
 For general expenses, Forest Service, \$1.80.  
 For salaries and expenses, Bureau of Entomology, \$6.95.  
 For prevention of spread of European corn borer, \$4.95.  
 For salaries and expenses, Bureau of Biological Survey, \$1.  
 For salaries and expenses, Bureau of Agricultural Economics, \$5.08.  
 For salaries and expenses, plant quarantine and control administration, \$34.80.

*Department of Commerce*

For contingent expenses, Department of Commerce, \$10.  
 For collecting statistics, Bureau of the Census, \$4.  
 For scientific library, Patent Office, \$9.32.  
 For salaries, keepers of lighthouses, \$37.33.  
 For general expenses, Lighthouse Service, \$13.  
 For protecting seal and salmon fisheries of Alaska, \$2.85.  
 For investigating mine accidents, \$1.  
 For aircraft in commerce, 75 cents.  
 For air navigation facilities, \$23,761.98.

*Department of the Interior*

For Geological Survey, \$17.  
 For National Park Service, \$987.04.  
 For education of natives of Alaska, \$425.12.  
 For medical relief in Alaska, \$19.81.  
 For industry among Indians, \$7.37.  
 For Indian agency buildings, \$14.80.  
 For purchase and transportation of Indian supplies, \$2.71.  
 For irrigation, San Carlos and Florence-Casa Grande projects, Arizona (reimbursable), \$4.26.  
 For conservation of health among Indians, \$118.73.  
 For Indian boarding schools, \$157.97.  
 For Indian school support, \$176.78.  
 For relieving distress and prevention, etc., of diseases among the Indians, \$114.  
 For support and civilization of Indians, \$11.85.  
 For support of Indians and administration of Indian property, \$19.35.

*Department of Justice*

For contingent expenses, Department of Justice, \$129.90.  
 For printing and binding, Department of Justice and courts, \$205.50.  
 For detection and prosecution of crimes, \$31.50.  
 For examination of judicial offices, \$2.50.  
 For books for judicial officers, \$782.  
 For salaries, fees, and expenses of marshals, United States courts, \$1,860.27.  
 For salaries and expenses of district attorneys, United States courts, \$2.12.  
 For fees of commissioners, United States courts, \$1,607.35.  
 For fees of jurors, United States courts, \$41.  
 For fees of witnesses, United States courts, \$41.10.  
 For fees of jurors and witnesses, United States courts, \$10.30.  
 For support of United States prisoners, \$869.60.  
 For United States penitentiary, Atlanta, Ga., \$39.58.

*Department of Labor*

For salaries and expenses, Commissioners of Conciliation, \$1.50.  
 For expenses of regulating immigration, \$52.55.  
 For miscellaneous expenses, Bureau of Naturalization, \$28.95.

*Navy Department*

For pay, miscellaneous, \$3.35.  
 For organizing the Naval Reserve, \$53.63.  
 For engineering, Bureau of Engineering, \$112.74.  
 For construction and repair, Bureau of Construction and Repair, \$336.47.  
 For pay, subsistence, and transportation, Navy, \$9,409.13.  
 For pay of the Navy, \$5,562.68.  
 For transportation, Bureau of Navigation, \$162.77.  
 For maintenance, Bureau of Supplies and Accounts, \$389.01.  
 For maintenance, Bureau of Yards and Docks, \$101.20.  
 For aviation, Navy, \$37,536.37.  
 For pay, Marine Corps, \$1,629.33.

For general expenses, Marine Corps, \$137.50.  
 For maintenance, Quartermaster's Department, Marine Corps, \$42.91.

*Post Office Department—Postal Service*

(Out of the postal revenues)

For balances due foreign countries, \$138,631.13.  
 For car fare and bicycle allowance, \$11.34.  
 For city delivery carriers, \$1,466.40.  
 For clerks, first and second class post offices, \$5,470.80.  
 For clerks, third-class post offices, \$221.25.  
 For compensation to postmasters, \$2,056.68.  
 For foreign-mail transportation, \$10,493.36.  
 For freight, express, or motor transportation of equipment, etc., \$26.78.  
 For indemnities, domestic mail, \$1,271.56.  
 For indemnities, international mail, \$673.69.  
 For miscellaneous items, first and second class post offices, \$12.42.  
 For post office equipment and supplies, \$25.40.  
 For railroad transportation and mail messenger service, \$1,099.25.  
 For rent, light, and fuel, \$2,593.96.  
 For separating mails, \$7.50.  
 For special-delivery fees, \$13.09.  
 For star-route service, \$20.47.  
 For vehicle service, \$28.80.  
 For village delivery service, \$184.80.

*Department of State*

For contingent expenses, Department of State, \$1,897.86.  
 For contingent expenses, foreign missions, \$35.91.  
 For contingent expenses, United States consulates, \$16.04.  
 For immigration of aliens, Department of State, \$43.  
 For relief and protection of American seamen, \$123.78.  
 For salaries, ambassadors and ministers, \$1.94.  
 For salaries, consular service, \$574.76.  
 For salaries, Foreign Service officers, \$7.90.  
 For salaries, Foreign Service officers while receiving instructions and in transit, \$861.11.  
 For transportation of Foreign Service officers, \$4,666.69.

*Treasury Department*

For stationery, Treasury Department, \$11.46.  
 For contingent expenses, public moneys, \$2.87.  
 For collecting the revenue from customs, \$221.17.  
 For collecting the internal revenue, \$95.52.  
 For salaries and expenses of collectors, etc., of internal revenue, \$39.83.  
 For enforcement of narcotic and national prohibition acts, internal revenue, \$1,290.97.  
 For Coast Guard, \$360.21.  
 For contingent expenses, Coast Guard, \$36.17.  
 For pay and allowances, Coast Guard, \$406.71.  
 For compensation of employees, Bureau of Engraving and Printing, \$18.59.  
 For pay of other employees, Public Health Service, 85 cents.  
 For pay of personnel and maintenance of hospitals, Public Health Service, \$141.  
 For interstate quarantine service, \$3.75.  
 For quarantine service, \$120.  
 For mileage, etc., Coast Guard, \$4.  
 For furniture and repairs of same for public buildings, \$178.65.  
 For general expenses of public buildings, \$11.56.  
 For mechanical equipment for public buildings, \$80.94.  
 For operating force for public buildings, \$9.53.  
 For operating supplies for public buildings, \$89.09.  
 For remodeling and enlarging public buildings, \$1,591.75.  
 For repairs and preservation of public buildings, \$10.11.

*War Department*

For contingencies, Military Intelligence Division, General Staff Corps, \$1,233.16.  
 For civilian military training camps, \$16.03.  
 For Organized Reserves, \$113.13.  
 For Reserve Officers' Training Corps, \$153.90.  
 For increase of compensation, Military Establishment, \$7,625.91.  
 For increase of compensation, War Department, \$480.  
 For pay, etc., of the Army, \$64,727.02.  
 For pay of the Army, \$7,389.98.  
 For mileage of the Army, \$44.25.  
 For mileage to officers and contract surgeons, \$121.34.  
 For arrears of pay, bounty, etc., \$39.10.  
 For pay, etc., of the Army, war with Spain, \$279.43.  
 For Army transportation, \$2,877.88.  
 For barracks and quarters, \$5.50.  
 For barracks and quarters, other buildings, and utilities, \$3.40.  
 For clothing and equipage, \$180.92.  
 For construction of buildings, utilities, and appurtenances at military posts, \$1,491.32.  
 For incidental expenses of the Army, \$50.  
 For subsistence of the Army, \$37.57.  
 For general appropriations, Quartermaster Corps, \$7,811.08.  
 For supplies, services, and transportation, Quartermaster Corps, \$282.04.  
 For ordnance service and supplies, Army, \$192.44.  
 For armament of fortifications, \$17.38.  
 For manufacture of arms, \$829.20.  
 For ordnance stores, ammunition, \$92.76.  
 For proving grounds, Army, \$638.32.  
 For replacing ordnance and ordnance stores, \$593.94.  
 For seacoast defenses, Panama Canal, ordnance, \$85.50.

For medical and hospital department, \$163.25.  
 For Signal Service of the Army, \$230.  
 For Air Corps, Army, \$80.  
 For arming, equipping, and training the National Guard, \$1,370.56.

For pay of National Guard for armory drills, \$557.38.  
 For arms, uniforms, equipment, etc., for field service, National Guard, 75 cents.

For headstones for graves of soldiers, \$1.98.  
 For Shiloh National Military Park, \$175.81.  
 For operating snag and dredge boats on upper Mississippi, Illinois, and Minnesota Rivers, \$3.55.

Total, audited claims, section 4, \$404,514.06, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

#### Audited claims

Sec. 5. That for the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1930 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 165, Seventy-second Congress, there is appropriated as follows:

#### Independent offices

For Interstate Commerce Commission, \$180.  
 For medical and hospital services, Veterans' Bureau, \$1,501.96.  
 For military and naval compensation, Veterans' Administration, \$144.25.

For salaries and expenses, Veterans' Bureau, \$5.30.  
 For vocational rehabilitation, Veterans' Bureau, \$51.  
 For Army pensions, \$7.14.

#### Department of Agriculture

For salaries and expenses, Bureau of Animal Industry, \$33.33.  
 For dairying and soil improvement, experiment station, South Carolina, \$6.25.  
 For loans to farmers in storm and flood stricken areas, Southwestern States, \$2.

#### Department of Commerce

For party expenses, Coast and Geodetic Survey, \$15.26.  
 For protecting seal and salmon fisheries of Alaska, \$4.62.  
 For air navigation facilities, \$1.25.

#### Department of the Interior

For relieving distress and prevention, etc., of diseases among Indians, \$250.  
 For conservation of health among Indians, \$83.

#### Department of Justice

For miscellaneous expenses, United States courts, 94 cents.

#### Navy Department

For pay, subsistence, and transportation, Navy, \$381.49.  
 For pay of the Navy, \$69.33.  
 For transportation, Bureau of Navigation, \$4.60.  
 For maintenance, Bureau of Supplies and Accounts, \$2.68.  
 For pay, Marine Corps, \$154.30.

#### Post Office Department—Postal Service

(Out of the postal revenues)

For balances due foreign countries, \$781.28.  
 For city delivery carriers, \$82.56.  
 For indemnities, domestic mail, \$123.75.  
 For indemnities, international mail, \$22.89.  
 For miscellaneous items, first and second class post offices, \$320.  
 For Railway Mail Service, salaries, \$53.04.  
 For rent, light, and fuel, \$32.  
 For Rural Delivery Service, \$3.37.  
 For separating mails, \$48.

#### Department of State

For contingent expenses, United States consulates, \$3.12.  
 For transportation of Foreign Service officers, \$40.76.

#### Treasury Department

For enforcement of narcotic and national prohibition acts, internal revenue, \$385.05.  
 For Coast Guard, \$60.  
 For pay and allowances, Coast Guard, \$167.81.  
 For operating supplies for public buildings, \$67.50.

#### War Department

For pay, etc., of the Army, \$6,777.49.  
 For pay of the Army, \$1,067.17.  
 For Reserve Officers' Training Corps, \$79.50.  
 For increase of compensation, Military Establishment, \$8.53.  
 For pay, etc., of the Army, war with Spain, \$2.40.  
 For Army transportation, \$142.24.  
 For general appropriations, Quartermaster Corps, \$378.56.  
 For ordnance service and supplies, Army, 76 cents.  
 For arming, equipping, and training the National Guard, 32 cents.

For pay of National Guard for armory drills, \$17.65.  
 Total, audited claims, section 5, \$13,564.45, together with such additional sum due to increases in rates of exchange as may be

necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

Sec. 6. For payment of interest on amounts withheld from claimants by the Comptroller General of the United States under the act of March 3, 1875 (U. S. C., title 31, sec. 227), as allowed by the General Accounting Office and certified to the Seventy-second Congress, in House Document No. 507, under the Treasury Department, \$484.98.

For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States district courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-second Congress in House Document No. 507, under the Treasury Department, \$1,669.93, together with such additional sum as may be necessary to pay interest as specified in the judgments.

For the payment of a claim allowed by the General Accounting Office covering a judgment rendered by a United States district court against a collector of internal revenue, where a certificate of probable cause has been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-second Congress in House Document No. 507, under the Treasury Department, \$139.85.

For the payment of the claim allowed by the General Accounting Office under the provisions of Private Act No. 524, approved March 2, 1929 (45 Stat., pt. 2, p. 2364), and certified to the Seventy-second Congress in House Document No. 507, under the War Department, \$52.71.

Total audited claims, section 6, \$2,347.47.

#### SHORT TITLE

This act may be cited as the "first deficiency act, fiscal year 1933."

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

#### DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14363) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes. Pending that, there is one item in the bill which will provoke some controversy, and I think it should be discussed, since it involves a policy that Congress itself laid down, and which, if it is now being violated, Congress should know. In view of the fact that I feel amendments are to be offered in good faith, and that the Members offering such are possibly prompted by misinformation, I desire that there be time for discussion, so that Members of the House may know the facts. The matter I refer to relates to prison industries. Yesterday that item was passed with the understanding that we would agree on some reasonable time for discussion of it and all amendments thereto that might be offered. I ask unanimous consent, therefore, that after the expiration of the time fixed by the House for the discussion of the prohibition item, the committee be authorized to fix one hour for the discussion of the item in reference to prison industries and all amendments thereto, the time to be equally divided between the gentleman from Pennsylvania [Mr. SHREVE] and myself, and one-half of the time to be allotted to those in favor of such amendments as may be offered to that item.

Mr. SHREVE. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. SHREVE. Does the gentleman desire to go into a discussion of all of the various articles that are manufactured in the penitentiaries?

Mr. OLIVER of Alabama. I understand there may be amendments that may relate to different activities.

Mr. SHREVE. Affecting Atlanta?

Mr. OLIVER of Alabama. Affecting all of the prisons; and that is why I suggest that we fix the time. It will enable us to proceed in an orderly way, immediately after disposing of the prohibition item, and hasten the reading of the bill.



Mr. SHREVE. That is entirely satisfactory to this side of the House.

Mr. SABATH. I understand an agreement has been entered into about the time to be allotted to the prohibition item.

Mr. OLIVER of Alabama. Two hours.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the item on page 33 relating to prison-industries working-capital fund is reached there be one hour of debate on the paragraph and all amendments thereto, one-half of the time to be controlled by the gentleman from Alabama [Mr. OLIVER] and one-half by the gentleman from Pennsylvania [Mr. SHREVE], those two halves to be controlled one-half of the time by those in favor of the amendment and one-half by those opposed. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Alabama that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14363.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14363, with Mr. OLIVER of New York in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

#### BUREAU OF PROHIBITION

Salaries and expenses: For expenses to enforce and administer the applicable provisions of the national prohibition act, as amended and supplemented (U. S. C., title 27), and internal revenue laws, pursuant to the act of March 3, 1927 (U. S. C., Supp. V, title 5, secs. 281-281e), and the act of May 27, 1930 (U. S. C., Supp. V, title 27, secs. 144-192), including the employment of executive officers, attorneys, agents, inspectors, investigators, supervisors, clerks, messengers, and other personnel, in the District of Columbia and elsewhere, to be appointed as authorized by law; the securing of evidence of violations of the acts; the cost of chemical analysis made by other than employees of the United States and expenses incident to the giving of testimony in relation thereto; the purchase of stationery, supplies, equipment, mechanical devices, newspapers, and periodicals not to exceed \$350, books, including law books and books of reference, and such other expenditures as may be necessary in the District of Columbia and the several field offices; costs incurred in the seizure, storage, and disposition of liquor and property seized under the national prohibition act, including seizures made under the internal revenue laws if a violation of the national prohibition act is involved and disposition is made under section 3460, Revised Statutes (U. S. C., title 26, sec. 1193); costs incurred in the seizure, storage, and disposition of any vehicle and team or automobile, boat, air or water craft, or any other conveyance, seized pursuant to section 26, Title II, of the national prohibition act, when the proceeds of sale are insufficient therefor or where there is no sale; purchase of passenger-carrying motor vehicles at a total cost of not to exceed \$50,000, including the value of any vehicles exchanged, and the hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles for official use in field work; and for rental of quarters; in all, \$9,120,000, of which amount not to exceed \$336,453 may be expended for personal services in the District of Columbia.

Mr. BLANTON. Mr. Chairman, under the unanimous-consent agreement had yesterday in the House the disposition of the prohibition item and amendments thereto was to be made under two hours of debate, immediately after we went into the Committee of the Whole to-day.

Mr. OLIVER of Alabama. That is correct.

Mr. BLANTON. We are now in the Committee of the Whole.

The CHAIRMAN. The paragraph alluded to has just been read by the Clerk, and we are about to proceed to its consideration under the unanimous-consent agreement entered into yesterday. That agreement divides the time of two hours, one hour to the gentleman from Alabama [Mr. OLIVER], and one hour to the gentleman from Pennsylvania [Mr. SHREVE], and the gentleman from Alabama is to allot one-half of that time to the control of the gentleman from New York [Mr. GRIFFIN], and Mr. SHREVE to allot one-half of his time to the control of the gentleman from Massachusetts [Mr. TINKHAM].

Mr. GRIFFIN rose.

The CHAIRMAN. The gentleman from New York [Mr. GRIFFIN] is recognized for one-half hour.

Mr. GRIFFIN. Mr. Chairman, I offer an amendment.

Mr. TARVER. Mr. Chairman, if the gentleman will permit, if amendments to this paragraph are not offered now, we will have two hours' debate without having any idea of what amendments are to be considered by the committee, and then will be required to vote on the amendments without opportunity having been offered for an explanation of the amendments by their authors. I should like to know whether or not it would be permissible to have all amendments to the provision offered at this time, in order that they may be pending before the committee and discussion be had at the time argument is had.

Mr. OLIVER of Alabama. Mr. Chairman, I hope the gentlemen who expect to offer amendments will follow that course. The gentleman from Massachusetts [Mr. TINKHAM] told me on yesterday he had three amendments to offer, and I think they should be read. I therefore ask unanimous consent that all amendments may be read, Mr. Chairman, and considered as pending.

Mr. SABATH. Reserving the right to object, if I am not mistaken, the gentleman from New York [Mr. GRIFFIN] has been recognized and has offered his amendment.

Mr. GRIFFIN. I was about to make a statement.

The CHAIRMAN. The only amendment at the desk is the amendment offered by the gentleman from New York [Mr. GRIFFIN].

The gentleman from Alabama [Mr. OLIVER] asks unanimous consent that all amendments to be voted upon after two hours' debate be read by the Clerk for the information of the House now and be considered as pending. Is there objection?

Mr. STAFFORD. Reserving the right to object, that would not foreclose Members offering amendments during the two hours' general debate?

Mr. OLIVER of Alabama. The gentleman may propose that as an amendment to the unanimous-consent request, but let me say the amendments will not be voted on until the expiration of the two hours.

Mr. KUNZ. Reserving the right to object, that does not limit the 5-minute rule, does it, Mr. Chairman, after an amendment is offered?

The CHAIRMAN. There is no 5-minute rule now under the unanimous-consent agreement. The time is in control of the various parties in accordance with the agreement made on yesterday.

Mr. STAFFORD. Mr. Chairman, has the unanimous-consent request been submitted as modified?

The CHAIRMAN. The gentleman from Alabama [Mr. OLIVER] asks unanimous consent that the Clerk now report for the information of the committee all amendments sent to the desk which will be discussed during the two hours' debate, and that those amendments will be considered pending and will not be voted upon until the expiration of the two hours' debate, and that thereafter any amendment sent to the desk between this time and the close of the debate will be voted upon by the House. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

Amendment proposed by Mr. TINKHAM: On page 24, line 26, after the period, insert the following proviso: "Provided, That no part of this appropriation shall be used for or in connection with wire tapping to procure evidence in violation of the national prohibition act, as amended and supplemented."

Amendment proposed by Mr. TINKHAM: On page 24, line 26, after the word "supplemented," insert the following proviso: "Provided further, That no part of this appropriation shall be used for the purchase, for use as evidence of violations of the national prohibition act, as amended and supplemented, of any intoxicating liquors the sale of which is prohibited by law."

Amendment proposed by Mr. TINKHAM: On page 24, line 26, after the period after the word "supplemented," insert the following proviso: "Provided further, That no part of this appropriation shall be expended for the hire of special employees under contract."

Amendment offered by Mr. GRIFFIN: On page 24, line 24, after the word "all," strike out "\$9,120,000" and insert in lieu thereof "\$7,199,986."

Amendment offered by Mr. O'CONNOR: On page 23, line 14, strike out all down to and including line 26 on page 24.

Amendment proposed by Mr. TARVER as a substitute for the Tinkham amendment: On page 24, line 26, strike out the period, insert a colon, and add the following proviso: "Provided, That no funds hereby appropriated shall be used for the purchase of intoxicating liquors nor to pay informers nor for the purchase of evidence."

Mr. DYER. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from New York [Mr. GRIFFIN] may again be reported.

There was no objection.

The Clerk again reported the amendment offered by Mr. GRIFFIN.

The CHAIRMAN. The gentleman from New York [Mr. GRIFFIN] is recognized for one-half hour.

Mr. GRIFFIN. Mr. Chairman, I ask to be notified when I have consumed five minutes.

Mr. Chairman, the amendment which I have proposed to this appropriation is intended to harmonize our appropriations with the economy bill. I hope my friends will not consider there is anything personal about this proposal or anything indicating my attitude on the prohibition question itself. The people spoke on the subject of prohibition in the election. Both parties stand for the repeal of the eighteenth amendment, and I feel that the Members of this House are, in large measure, committed to the proposition of conforming our appropriation bills to what is to be reasonably anticipated in the coming year.

Of course, I realize that the eighteenth amendment is not going to be repealed offhand, and probably not within the next year, but I want to call attention to this fact, that in all of our bills we have made reductions in the appropriations. My amendment proposes to take from the Budget figures 25 per cent, and from the figures as reported by our committee, 20 per cent.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. BRITTEN. Did I understand the gentleman to say that his committee had been informed that reductions had been made in various departmental appropriations of 20 per cent, but a lesser reduction was made for the Prohibition Unit?

Mr. GRIFFIN. Yes.

Mr. BRITTEN. Will the gentleman be good enough to state just what that was?

Mr. GRIFFIN. I am coming to that. The bill as reported by the committee takes 5 per cent from the Budget figures for the Prohibition Unit. My amendment proposes to take off 20 per cent additional, making a total reduction of 25 per cent, so as to conform to the economy program.

I feel I am justified in making this proposal, because the Bureau of Industrial Alcohol and the Bureau of Narcotics are no longer a part of the Prohibition Enforcement Bureau.

Now, I ask your attention to these figures: The Bureau of Industrial Alcohol receives an appropriation in the Treasury bill of \$4,000,000.

The Bureau of Narcotics, likewise in the Treasury bill, receives an appropriation of \$1,400,000. This makes a total of \$5,400,000 for the carrying on of these two bureaus, which were formerly part of the Prohibition Enforcement Bureau.

For the fiscal year 1931 we gave to the Prohibition Enforcement Bureau, for the combined activities of industrial alcohol, narcotics and prohibition enforcement, \$15,543,370.

In the fiscal year 1932 the Prohibition Enforcement Bureau was taken out of the Treasury Department. Contrary to expectations this change made practically no reduction whatever. Instead, it has actually increased the total cost of administration. In other words, we are increasing the expense of prohibition enforcement year by year at a time when the whole system is about to disintegrate.

Mr. BRITTEN. So that as a fact, where every other department of the Government is being reduced in its appropriations and in its expenditures, this one particular bureau is singled out for favoritism of practically \$5,400,000. That is what the gentleman's figures resolve themselves to.

Mr. GRIFFIN. To be accurate, the increase is the difference between \$14,500,000 and \$9,120,000.

Mr. BRITTEN. Almost \$5,400,000.

Mr. GRIFFIN. Yes.

Mr. BRITTEN. Five million four hundred thousand dollars. So that the present bill now before the House practically carries an increase in the appropriation for the prohibition unit of \$5,400,000 rather than any decrease.

Mr. GRIFFIN. I would not say for the Prohibition Enforcement Unit, because \$1,400,000 of that goes to the Bureau of Narcotics and \$4,000,000 to the Bureau of Industrial Alcohol; but there is a relative increase in the appropriation for the carrying on of the work of this bureau, instead of a marked decrease, as might reasonably be expected.

Mr. SHREVE. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. SHREVE. Will the gentleman inform the House just how this \$4,000,000 he mentions is made up? He has already mentioned narcotics. How does the rest come in? We appropriated nine millions and a few hundred thousands of dollars. That is our appropriation. The gentleman here puts it up to something over \$14,000,000. Will the gentleman inform the committee how the difference between \$9,000,000 and \$14,000,000 is made up?

Mr. GRIFFIN. I have just stated that. We appropriated \$9,120,000 for the Prohibition Enforcement Bureau. That does not include the Bureau of Industrial Alcohol, which has a separate appropriation of \$4,000,000, while the Narcotic Bureau gets a separate appropriation of \$1,400,000.

Mr. SHREVE. Then, the law enforcement item carries only the \$9,000,000, the item for the enforcement of law by Mr. Woodcock's division receives about \$9,000,000 or a little over. Is not that true?

Mr. GRIFFIN. No; I do not think it is.

Mr. SHREVE. Then we will look in the book and see.

Mr. BRITTEN. The gentleman [Mr. SHREVE] is correct.

Mr. GRIFFIN. I think we are talking about different things. I am simply trying to show that all three bureaus were included in the appropriation before the Enforcement Bureau was taken out of the Treasury Department.

Mr. SHREVE. We should differentiate between the amount of money we are paying for law enforcement and the amount of money that is paid by the Narcotic Division. That is not the same thing that we are discussing here to-day. We are discussing just one thing, and that is the appropriation for law enforcement; and the gentleman can not bring in the Narcotic Division classified as a division for enforcing the liquor law.

Mr. GRIFFIN. It is all part of the system.

Mr. SHREVE. I do not think so.

Mr. GRIFFIN. When we were appropriating for prohibition enforcement, we appropriated also for the Bureau of Industrial Alcohol, which used to be under the control of prohibition-enforcement officers. Permits had to be granted before any alcohol was made or sold.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. BRITTEN. Prior to last year the Industrial Alcohol Division was under the Bureau of Prohibition; now it is not. The gentleman has made it very clear that this work was taken out of the Prohibition Unit, thereby promoting a great reduction in expenditures of the Prohibition Unit.

Mr. GRIFFIN. It was.

Mr. BRITTEN. Therefore the amount carried in the bill should be reduced.

Mr. KUNZ. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. KUNZ. The increase of \$4,000,000 added to the \$9,000,000 would make \$13,000,000. Is that on the recommendation of the Budget Bureau, or was the increase made by the committee?

Mr. GRIFFIN. It was made on the recommendation of the Budget Bureau.



Mr. KUNZ. And their recommendation was taken by the committee; is that true?

Mr. GRIFFIN. No; the Budget figures were reduced by about 5 per cent. In that connection I may say that there is a suggestion that the committee has been very liberal in deducting only 5 per cent from the Prohibition Enforcement Bureau; but when you compare the reduction of the Prohibition Enforcement Bureau with that of the other bureaus, 5 per cent will not be found to be a very liberal cut.

For instance, the Foreign Service of the Department of State received a reduction of 10 per cent. The entire State Department received a reduction of 10 per cent. The Department of Commerce and some of the other departments and bureaus of our Government have received reductions of as much as 18 per cent.

Mr. BRITTEN. Eighteen per cent from what, if you please?

Mr. GRIFFIN. From the Budget figures. So I think it would be perfectly fair and just to the prohibition unit to compel it to accept the economies which other bureaus are forced to take.

Mr. CLANCY. Will the gentleman state what the Department of Labor received?

Mr. GRIFFIN. I did not go into the Labor Department. I have not made that calculation.

Mr. WILLIAM E. HULL. What would be the total reduction you would make in this bill?

Mr. GRIFFIN. I propose to reduce the prohibition-enforcement item 25 per cent instead of 5 per cent now in the bill.

Mr. BRITTEN. So the amendment pending would reduce the amount covered in the bill 20 per cent?

Mr. GRIFFIN. Yes.

Mr. WILLIAM E. HULL. What would be the total?

Mr. GRIFFIN. Seven million one hundred and ninety-nine thousand nine hundred and eighty-six dollars.

Mr. SHREVE. Mr. Chairman, I yield five minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, I do not propose to discuss in detail any of the pending amendments. I should like to make this statement as a general proposition. There is no issue, or should be no issue raised here, between those who believe in the retention of the eighteenth amendment and those who are opposed to its retention. The question before the committee has nothing whatever to do with the merits of prohibition. We have before us the simple question, Shall we now do anything to obstruct the officials in the Department of Justice who are sworn to enforce existing law? I hope none of us takes the view that we ought to do anything here to obstruct the enforcement of law.

Presently the people of the Nation will vote on the merits of prohibition. They are certain to have this opportunity if the Congress in a repeal resolution shall live up to that plank which both parties agreed upon and incorporated in their platforms; namely, the proposal to submit the question of repeal to the people to be passed upon by them in constitutional conventions. This is the only way they ought to pass upon this question, because in this way and in this way alone shall we be able to isolate the liquor question from every other question.

The people have passed upon the liquor question in recent elections, some will tell you. But after the selections are over and the votes are counted, some have always insisted that it was not the liquor question which determined the result, and they will rightly insist that other questions were involved.

If ratification is attempted through legislatures, the prohibition question can not be separated from other issues. Members of State legislatures are elected not because of their views on prohibition alone. Many other considerations are involved. Members are and will be sent to the State legislatures on issues of local taxation. Regardless of his views on the eighteenth amendment many a man will be elected to a State legislature because of his general legislative experience or his general reputation for getting results for his constituents.

In the process of ratifying or rejecting a proposal for the repeal of the eighteenth amendment one issue and one alone should come to the people. There is only one way to bring this issue in clear-cut fashion to the people. The States should be given a chance to set up their constitutional conventions so that the people may vote for their candidates to such conventions with one question in mind, viz: Do they stand for or against the repeal of the eighteenth amendment?

When the people shall have passed upon this issue, then the Congress should conform to the will of the people in passing upon its appropriations; but I submit that as long as this law is on the statute books that discriminatory cuts in appropriations for law enforcement would amount to an unjustifiable attempt to forestall the popular will and encourage nullification. Whatever may be our views on this question, I assume that each of us believes in law and order. Therefore let us take no action here to-day which will hamper the officials in the Department of Justice charged with the enforcement of this law.

Mr. BRITTEN. Will the gentleman yield?

Mr. BEEDY. I am pleased to yield.

Mr. BRITTEN. I agree with practically every word the gentleman has uttered, but I disagree with his use of certain words. The gentleman suggests that we are aiming to obstruct law enforcement. I do not agree with the gentleman. It is merely a reduction of law enforcement such as will apply to every department of the Government in accordance with the Federal economy program. We have got to reduce the cost of law enforcement, generally, in every department of the Government, but not necessarily obstruct it. Aside from this, the gentleman and I are in complete accord in every statement the gentleman has made. The pending amendment is in the interest of true economy.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. WILLIAM E. HULL. Will the gentleman yield for a question?

Mr. BEEDY. I shall be pleased to yield if I have the time, but first let me answer the question just put to me.

We all wish to economize; and if we are going to make a flat reduction of 20 per cent all along the line, well and good. Let us not single out this particular item in the appropriation bill and cut it 20 per cent and pass over other items. Has the gentleman advocated the cutting of all the items which precede this item in the bill by 20 per cent, or does the gentleman propose to take the floor and advocate a flat cut of 20 per cent in all the appropriation items in this bill?

Mr. BRITTEN. Yes; I am for that and other general reductions. The Department of Commerce has been cut 18 per cent in this bill by its framers, and that cut is reflected in the bill.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. BEEDY. I yield to the gentleman from Alabama.

Mr. OLIVER of Alabama. Many of the activities of the Department of Commerce have not been cut at all.

Mr. BLANTON. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. BLANTON. Is my friend the gentleman from Illinois [Mr. BRITTEN] in favor of cutting the Navy Department appropriation 20 per cent?

Mr. BRITTEN. Yes; when that kind of an amendment comes properly before the House.

Mr. BLANTON. Will the gentleman vote for it?

Mr. BRITTEN. Yes.

Mr. BLANTON. Well, we will see about that when the chance for him to so cut comes.

Mr. BEEDY. Then let us have it understood that we will not play any favorites; that our prejudices will not move us, and that we will not work any injustice upon any separate division of any branch of the Government in considering these appropriation bills. If we can wisely cut all the items in the pending bill 20 per cent, very well; but



I repeat that we ought not to lay for particular items and vent our prejudices by undue reductions of them.

[Here the gavel fell.]

Mr. GRIFFIN. Mr. Chairman, I yield four minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I have offered an amendment as a substitute for the amendment offered by the gentleman from Massachusetts [Mr. TINKHAM], relating to the same subject matter, which proposes to add to this section a proviso limiting the expenditure of the funds appropriated under it, so that no portion of the funds may be used for the purpose of buying intoxicating liquors, paying informers, or purchasing evidence.

I offer this amendment as a friend of prohibition. I deny that in order for a Member of this House to be a friend of prohibition, it is necessary for him to indorse carte blanche all the methods which have been used by the Prohibition Bureau in its efforts to bring about enforcement of the law.

I submit that no law will be respected by the people unless it is enforced in a way and manner entitling it to respect; in other words, enforced in a respectable way. [Applause.] The sending of the agents of the Government into speak-easies to become tanked on intoxicating liquors and then turn around and arrest the men whom they incited to a violation of the law is contemptible, and the effect of such conduct is to bring the prohibition law into contempt. The same thing may be said of the practice of buying evidence from alley rats in the city of Washington and elsewhere. No self-respecting juror anywhere in this country would convict any man upon evidence of that character, and the expenditure of money for such purposes is a waste of public funds.

It is not necessary, Mr. Chairman, in order to enforce prohibition, to resort to despicable methods of this kind.

Last year near the city of Washington, at Chesapeake Beach, you had what was known as a Texas barbecue. Thousands of people went down there. I was one of them. It was fostered by the newspaper fraternity of the city. Down there truckloads of what were said to be kegs of beer were brought in and the beer rolled across an open platform into a large room where hundreds of men, including Members of this House, stood and drank it. Whether it was intoxicating or not I do not know of my own personal knowledge, except I observed the effect of that liquor upon those who drank it, and I know from my observation that it must have been intoxicating.

Why spend \$5 to hire an alley rat in the city of Washington to buy some liquor and turn up some alleged violator of the law, when the law was being violated in the presence of thousands of people, including hundreds of the Members of this House, within 40 miles of the Capital of the Nation and nothing said about it.

I tell you the mistake made by the prohibition advocates in this country is that after having procured the law they were satisfied, and they failed to follow the law into the courts and into the administrative bureau where its enforcement must be brought about, in order to see that it was properly and decently enforced.

Men who stage a champagne party, as is said to have been done at a local hotel by prohibition agents not long ago, pay for intoxicating liquors from Government funds, have an evening of revelry, and then turn around and arrest those from whom they bought their liquor, are not enforcing the law; they are merely criminals themselves, prohibition agents or not.

Gentlemen have said that unless prohibition agents are permitted to spend money for purposes like these, the law can not be enforced. I challenge the correctness of that statement. For more than 10 years I served as judge of the superior courts in six counties in Georgia, trying thousands of liquor cases, in not one of which had any money been spent by officers to buy liquor, pay informers, or purchase evidence; and those who live in that judicial circuit know that the prohibition laws were enforced far better than is done by Federal authority. The same thing is true of other

judicial circuits in my district and State. The State of Georgia does not appropriate any money to enable officers to buy liquor, pay informers, or purchase evidence; and yet, if it were not for these State officers and State courts, prohibition would indeed be practically a dead letter in my State.

I regret to say that in my judgment there has been no earnest, bona fide effort on the part of Federal authorities to enforce prohibition. I have many reasons for entertaining that belief which lack of time prevents my giving in detail. Those who believe in prohibition will not help their cause by undertaking to back up rotten and inefficient enforcement. If prohibition is to be maintained, and I pray God that it may be maintained, the Augean stables of rottenness that have existed in the Bureau of Prohibition must be cleansed, inefficient and corrupt agents must be gotten rid of, and methods of enforcement adopted such as we use in enforcing our State laws and which will be decent and entitled to the backing of decent people. It is in the interest of that character of enforcement and in the interest of the continuance of our prohibition laws that I offer this amendment.

[Here the gavel fell.]

Mr. TINKHAM. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. DYER].

Mr. DYER. Mr. Chairman, I am in favor of the amendment offered by the gentleman from New York [Mr. O'Connor] to strike from this bill all that pertains herein to prohibition.

One reason, Mr. Chairman, why I am in favor of this is that this money sought to be appropriated is not needed and is not to be used prior to July 1 of this year. That is some five months and more before the money will be needed. There is to be a session of the next Congress called in April, and if it is found that the Democratic Party is not going to carry out its mandate from the people to repeal the eighteenth amendment, then they with their great majority in this House can go ahead and appropriate money for the next fiscal year for prohibition enforcement—if this party is not to keep its word to the American people.

If this amendment is not agreed to by the committee, then I shall support the amendment of my colleague, Mr. TARVER, of Georgia, and some of the other amendments that have been offered, including the one offered by the gentleman from Massachusetts to prevent the tapping of private telephone wires that go into your home by these prohibition agents, for the purpose no doubt of obtaining testimony of violations of the prohibition law, but which results in obtaining the private conversation by you and your family, affecting your business and your own private affairs.

This appropriation of \$9,120,000 for prohibition enforcement is not the whole story. It is not only the money that is appropriated directly for prohibition that affects the taxpayers of the country, but there are many items throughout the appropriation bills that could be saved to the people if they did not have this national prohibition.

Prohibition is what the people have condemned, the issue upon which the Democratic Party carried the November election, and which this party said to the people, "Elect us and we will put an end to it," yet this bill carries more than \$9,000,000 to enforce it for the year July 1, 1933, to June 30, 1934. Do the Democrats intend to keep their word? Forty-four Democrats refused to carry out their platform pledge upon which they secured the national election when the resolution to repeal the eighteenth amendment was voted on recently.

There are other items, Mr. Chairman, costing the taxpayers money to try to enforce prohibition, and one of these that causes the expenditure of a lot of money has been the necessity of increasing the number of judges to try and dispose of prohibition cases. Since prohibition became a part of the Constitution the number of United States district judges has been increased from 97 to 145, and the number of circuit judges has been increased from 33 to 40. For what reason? They are giving most of their time to prohibition cases. Not only the salaries of the judges, but that



of clerks and marshals, court expenses, and so forth, have amounted to millions of dollars. Mr. Chairman, this is an opportunity for the House to get rid of something that is costing a lot of money, and also is harmful to the people and to the taxpayers of the country. [Applause.]

[Here the gavel fell.]

Mr. GRIFFIN. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman and members of the committee, I am of the opinion that we are now afforded a real opportunity to do a constructive job in connection with the reduction of governmental expenses. We can reduce this appropriation and be reasonable in our action. We can apply the same reduction in this case that has been applied in many of the major departments of the Government.

A number of appropriations have been reduced all the way from 5 to 20 per cent. We have already eliminated appropriations that were very important, surely more important than this appropriation for the enforcement of a repudiated law. We can at least reduce it by 25 per cent, as suggested by the amendment offered by my distinguished colleague from New York.

We must take into consideration in connection with this item the essential points we took into consideration in the case of other items. One of these points was, according to members of the Appropriations Committee, the reductions made possible by a reduction in prices. For illustration, the appropriation for food for the enlisted men of the Army could be reduced because of the reduction in the cost of such commodities. In that connection we anticipated a possible reduction, and we took advantage of these lower costs to reduce the appropriation.

Now, with regard to prohibition, we can with safety anticipate the changes that will be made in the Volstead Act—changes that will permit of a lower enforcement cost. Already a number of States have taken affirmative action in this matter. In the Senate an effort has been made to reduce Federal expenses by 25 per cent. Here is our opportunity to make a real reduction in the cost of enforcement of a law soon to be repealed. The President elect, Mr. Roosevelt, has stated that prohibition is doomed, and that he was in favor of a 25 per cent reduction in the expenses of the Government. Therefore, anticipating the demands of public opinion, taking into consideration the action the States have already taken, and the great need for a reduction in Federal expenditures, we can with safety adopt this amendment.

We reduced the appropriations for the Army. We cut to the danger point the appropriation for the Post Office Department. No doubt we will reduce the amount required by the Navy Department. So why continue to dole out millions in a futile effort to enforce a law we never could or never will enforce?

By the end of the next fiscal year the Volstead Act will have passed into oblivion and the eighteenth amendment will be well on its way to the graveyard. [Applause.]

Mr. SHREVE. Mr. Chairman, I yield five minutes to the gentleman from Kentucky [Mr. FINLEY].

Mr. FINLEY. Mr. Chairman, I have not been and I refuse to be hypnotized upon the subject of economy, important though it may be. There are some phases of our national life the expenses of which ought not to be reduced at all. They ought to be increased. I was glad the other day when this House by an overwhelming majority overrode the Committee on Appropriations on the Army appropriation bill and wrote into that measure \$500,000 to continue the Reserve Officers' Training Corps at its present strength. I was also pleased when the same House, by the same action, overrode the committee and gave new life to the citizens' military training camps; and why? Because the first duty, the most imperative duty, the paramount duty of this Congress, is national defense; and when that question was raised on this floor the Members of the House rallied to the cause. National defense was uppermost, and no reduction was made on those features of our national

need. Why did they do that? National defense against what? Against whom? Why, against a foreign enemy, of course; certainly not against our own people. That was not considered at all.

But, Mr. Chairman, are foreign enemies the only enemies this country has? Nay, nay, verily. There are in our own country, on our own soil, enemies ten times as dangerous to the future of this country and the perpetuity of this Government as any foreign enemy could possibly be, and yet in the face of such action only a few days ago Members of this House now propose a reduction, and one proposes the abolition, of an appropriation to strike down and paralyze the warfare we are trying to make against what I regard as one of the greatest enemies within our country, and that is lawlessness, which is threatening the very foundation of our Government.

Mr. Chairman, I sleep when I am at home in a house remote from any other dwelling, no one in the house but myself. I do not know when some strolling hobo, some convict, some criminal, will take it into his head to enter that house, rob it, and, if necessary, butcher me, and destroy the evidence of his crime by burning the house. I keep at the head of my bed a 10-gage shotgun. I have not had it outside the house in 10 years, but it is there, and I can put my hands upon it in a moment. I have five silver cups that I have won at trap shooting, and I am glad that I know how to use that gun. If the logic of these gentlemen is to prevail, these men who offer these amendments for the reduction of our law-enforcement forces, then according to them I ought to reduce the caliber of my shotgun or, at any rate, I should reduce the size of the shot and the amount of powder in its loads; but I am not going to do that. It seems to me, at a time like this, if we enter upon a policy proposing to reduce the appropriations for the enforcement of laws against lawlessness, we would take the same sort of action as it would be for me to pitch that shotgun out of the window, to reduce its caliber, to take the loads out of it, or to reduce the size of the shot and the amount of powder that is in them. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield six minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, although I received an invitation, I did not attend the wet party mentioned by my friend from Georgia [Mr. TARVER]. It was not a press picnic and not a congressional party, although distinguished Texans had it given in their honor, and numerous Representatives and Senators were there. But there is nothing strange about arrests not being made there, even if the gentleman from Georgia did see some under the influence of liquor, for if there were 150 Congressmen there, as he says, they were all immune from arrest. I have been one of those who have been continually fighting to remove from all of us Members every immunity that we possess. I am not in favor of a Senator or a Representative having a single immunity by reason of his position. I think he ought to be treated just like every other citizen of the United States, but there is an immunity that is in the law, and it was in the law when I came here, and which I have never been able to help get out, for the Constitution provides that you can not arrest a Congressman during sessions of Congress unless it is for a felony or a breach of the peace.

Mr. LA GUARDIA. Oh, the gentleman is in error.

Mr. BLANTON. No; I beg the gentleman's pardon; the Constitution provides that during sessions of Congress no Member may be arrested except for felony or a breach of the peace, and I say that there is not an officer in the city of Washington who would dare arrest a Congressman unless he was guilty of some felony or breach of the peace, when Congress is in session, or when he is coming to Congress from his home or when he is going back. He is immune from arrest. It ought not to be so, but it is so, and we ought to abolish all immunities.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Just a moment, and I will.



Mr. TARVER. The gentleman has misconstrued my statement and that is the reason why I interrupt him.

Mr. BLANTON. I regret that my time is so limited that I can not yield. I want to mention the threat that has been made here on this floor against Members in an attempt to intimidate their votes on these various amendments. We are told that we are to be watched when we pass through the tellers on the various votes we are to register respecting these amendments, and that if we vote to uphold prohibition enforcement the wet forces are to punish us for it later. Such threats may intimidate some. Such threats do not scare me. I know that because of my votes here to-day I am incurring renewed displeasure of wet forces, and I know that they will oppose me politically and every other way in an attempt to punish me; but I had rather give up my position here than sacrifice my principle.

One of my good friends, who is an editor of a newspaper in my district, Mr. W. L. Garner, of Strawn, Tex., who is the owner and editor of the Strawn Tribune, has written me a letter dated January 18, 1933, inclosing a special newspaper release sending a special news item to all the leading newspapers in my district, specially written and designed to hurt me politically. It was sent from Austin, Tex., and headed: "Special to leading papers in the seventeenth congressional district—for immediate release." The seventeenth district is mine. Editor Garner tells me that—

The people here believe you have voted right on this issue; this district is almost solid for the eighteenth amendment.

My constituents now watch for these misleading, unjust, special news items that are sent specially to the newspapers of my district. They are no longer fooled by them. They check up such articles with the CONGRESSIONAL RECORD, and there learn the true facts.

As to whether we are carrying out our oaths or evading the Constitution which we are sworn to uphold when we vote for these amendments now pending that are designed to cripple and stop prohibition enforcement, I want to refer you to what six distinguished members of our Committee on Ways and Means said about the beer bill when it was before the House for passage. Here is what three of them said:

#### MINORITY VIEWS OF MESSRS. HAWLEY, TIMBERLAKE, AND CROWTHER

At the beginning of this session of Congress, in company with all my colleagues, I stood on the floor of the House and took the oath to support the Constitution of the United States, as required by Article VI of the Constitution. I quote from that oath:

"I do solemnly swear that I will support and defend the Constitution of the United States \* \* \* bear true faith and allegiance to the same \* \* \* without any mental reservation or purpose of evasion."

Article 18 of the amendment provides that—

"The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

I listened with careful attention to the evidence submitted to the committee during the hearings preceding the report of the pending bill—H. R. 13742. My observation covers a period prior to prohibition as well as under prohibition. I am convinced by the evidence submitted at the hearing and by observation and evidence extending over a period of a lifetime that beer and other liquors described in the bill are intoxicating. They were intoxicating prior to prohibition. A legislative declaration to the contrary does not overcome that fact, and if I were to support this legislation it would require a "mental reservation" on my part and a "purpose of evasion" of the eighteenth article of amendment to the Constitution.

On the part of the Federal Government this bill proposes that the country enter upon a new era in the manufacture, distribution, sale, and consumption of intoxicants. It provides for the reestablishment of 90 per cent in volume of the liquor traffic on the basis of the amount prior to prohibition.

The brewing interests, realizing the influence that the great fundamental law of the land and the strength of the purpose of the people for its observance, attempted to avert opposition to this bill by constant reiteration of the allegation that malt beverages of the strength proposed were not intoxicating in fact as the basis and justification of their sale.

The bill originally proposed that the alcoholic content should be 2.75 per cent by weight, or 3.4375 per cent by volume. The majority of the committee increased the alcoholic content to 3.2 per cent by weight, or 4 per cent by volume, on the ground that this would increase the attractiveness of the beverage and increase its sale.

The question of the influence of alcohol on the human system has an added importance, owing to the development by national, State, and local funds of great highways and other improved roads, over which are operated some 26,000,000 motor vehicles. An individual may not be visibly intoxicated to the extent that he may be identified as a "drunk," but his muscular reactions and mental activities may be so depressed that he is not able to respond as quickly as when normal. Detailed evidence of this fact was submitted to the committee. The lives and property of people who use the highways are subjected to constant risk, and the traffic problem is one of the most important in the United States, and anything that will increase its dangers is against the public interests. During the hearings the brewing interests indicated their desire to secure a widespread distribution and opportunity of sale for beer and other beverages provided in the bill. On the allegation that they were not intoxicating, it was suggested that beer be sold at soda fountains, drug stores, cafeterias, hotels, restaurants, clubs, and also at wayside eating places, filling stations, and other places along the highways, or, to put it in other words, it should be sold as freely as soda water, ginger ale, and other soft drinks. The wayside sales would become a direct and continuing menace to vehicular traffic. The sale in drug stores, soda fountains, and other places where soft drinks are dispensed to the multitude would bring beer within the reach of everyone, including the very young, and be a constant temptation to them to drink this toxic and habit-forming beverage. That which might not intoxicate people of mature years will certainly intoxicate the young. The motion to restrict the sale to clubs, restaurants, hotels, etc., was voted down in the committee.

If it should be argued that the matter of distribution can be controlled by the States, let me call your attention to the fact that this bill expresses the attitude of the Federal Government toward the matter and that the refusal of many of the States to participate in enforcement indicates that from them at least no help can be expected.

During the hearings the brewing interests stated they had no desire for the return of the saloon and referred to the planks in the party platforms; but a motion to prevent the return of the saloon, by refusing to permit beer to be sold in such places, was voted down in the committee.

According to an estimate called to the attention of the committee, the consumption of alcohol liquors in the United States is approximately but one-third of what it was prior to prohibition.

The public health under prohibition has materially improved and, according to the information furnished, reached a remarkable degree in the last fiscal year.

Some urged upon the committee that bootlegging, racketeering, speakeasies, blind tigers, illicit distilling and brewing were the result of prohibition. This can not be true because such operations were carried on for a long period of years before prohibition. Terms have been altered to some extent, but the operations are similar.

The estimates of reemployment submitted to the committee by proponents of the bill varied, but altogether were a comparatively small number, without taking into consideration the loss of labor to persons now working in other industries whose sales would diminish because the money theretofore expended in purchases of their products would go to the purchase of malt liquors.

The income of the people generally of the United States will not be increased by the sale of malt liquors. Purchases of such beverages must be paid for from the family income. Other purchases must be reduced in amount, since incomes can not be expended twice.

It is alleged that the revenue to be derived from this measure will tend to balance the Budget. The brewing interests indicated that at the end of two years they will be manufacturing 40,000,000 barrels of beer of 31 gallons each, if the taste for this beverage is re-created, which at \$5 a barrel will bring \$200,000,000 of revenue to the Government, to which they added an estimate of income from the so-called allied industries; but they failed to deduct therefrom the losses that will be incident to other businesses from which revenue is now being derived. This would materially reduce the supposed income. I do not believe the Government should obtain revenues through the violation of the Constitution and by legalization of beverages which produce intoxication. Beer was intoxicating before prohibition. Its constituent elements remain the same and will undoubtedly produce intoxication again. I believe the Budget should be balanced, but that legitimate sources of revenue legal under the Constitution should furnish the necessary amount.

From the above, as well as from many other factors I shall not take occasion to name, it appears that we are facing a wide-open situation in the matter of the dispensation of malt liquors. Some things were said during the hearings by the brewing interests concerning the protection of the dry States from the entrance of intoxicants within their borders from wet States. With our motor system of transportation, with tens of thousands of automobiles moving continually back and forth, with trucks on the highways carrying freight brought from many sources and distributed to many destinations, with increased traffic in the air, I came to the conclusion that a dry State surrounded by wet States or adjacent to one or more wet States would find itself subject to an impossible task in maintaining its dry status.

My feeling, after listening to many discussions and the recent hearings, is that the liquor interests are planning, by this measure to secure again the existence of 90 per cent by volume



of the liquor traffic, the repeal of the eighteenth amendment, and the return again of the sale of all intoxicating liquors with attendant and acknowledged evils. It seems to me that if we adopt the policy contained in this bill the return of the saloon is inevitable.

We concur in the above statement.

W. C. HAWLEY.

CHAS. B. TIMBERLAKE.  
FRANK CROWTHER.

Here is what the other three said:

MINORITY VIEWS OF MESSRS. RAGON, SANDERS, AND COOPER

We have heard and read all of the testimony before the Ways and Means Committee relating to the proposed legislation on beer. Taking all of this testimony as a whole and duly considering same, we are of the opinion that the proposed bill is violative of the Constitution of the United States, which in this regard reads as follows:

"After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we can not under our oath support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform, which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2, which means beer of 4 per cent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer, because of its alcoholic content, is not permissible under the Constitution.

HEARTSILL RAGON.  
MORGAN G. SANDERS.  
JEE COOPER.

As to the amendments of the gentleman from Massachusetts [Mr. TINKHAM] and of the gentleman from Georgia [Mr. TARVER], which would prohibit Government enforcement officers from buying liquor, I wonder how many arrests could be made by the prohibition unit without their agents buying liquor, when in the jurisdiction of many courts, they require that the Government must prove a sale.

They have to go into court with evidence that there was a sale made. Let a prohibition officer go into a place and not buy something, but merely hang around there watching, and he would not live long in most of those joints.

Mr. TARVER. Will the gentleman yield?

Mr. BLANTON. In just a moment. I have but a few minutes. I am sorry, but my time is too limited on this important matter.

My friend the gentleman from Massachusetts [Mr. TINKHAM] whom we see here very active once in a while on a few subjects, is going to speak on trying to stop them from tapping wires. Just who is it that the gentleman has in mind who ought to be protected from wire tapping? I proved by the Attorney General there was not any danger of tapping his wires unless he violated the law. I proved by the Attorney General that he would not permit any Congressman's wire to be tapped, unless the Congressman was at the head of a big liquor machine that was violating the law over the United States. Then probably it would be necessary to tap his wire.

I want you to take these hearings. The gentleman from Massachusetts [Mr. TINKHAM] is a member of the subcommittee which brings in this bill for four departments. Four of them. The hearings on the State Department are printed in a separate document. The State Department hearings comprise 342 printed pages. I ask you to show me one question which the gentleman from Massachusetts asked concerning the State Department in all those 342 pages of printed hearings. The gentleman was not interested in the

State Department. Not a question did he ask any of those splendid gentlemen who came before our committee, as far as the hearings disclose.

The printed hearings on the Department of Labor do not show any questions which the gentleman from Massachusetts [Mr. TINKHAM] saw fit to ask there. He did not seem to be interested about the Labor Department. The Department of Commerce, with its great document of printed hearings, 446 printed pages, does not show where the gentleman from Massachusetts [Mr. TINKHAM] asked any questions concerning the various bureaus and business of that department. No interest. The gentleman was not interested; but when it comes to the Department of Justice, oh, his pointed questions are all through the 446 printed pages. I wish you Members would take the hearings and read all of the questions which the gentleman from Massachusetts asked Colonel Woodcock and Attorney General Mitchell on prohibition, reading from his voluminous brief he had during all those days; and that shows where his interest was—to break down the national prohibition law. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TINKHAM. Mr. Chairman, I yield five minutes of my time to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, I realize, as has been said, that this is not a prohibition question. It is one of ordinary, everyday common sense and should be so treated. The Prohibition Enforcement Unit is made up generally of clerks, snoopers, mattress friskers, men who obtain evidence by tapping telephone wires and buying liquor, and things like that, for evidence purposes. Nine million one hundred and twenty thousand dollars is carried in this bill. I maintain, after having talked with members of the Committee on Appropriations, that \$9,120,000 appropriated for a department which, within a year from now, will be more or less defunct and out of business, is too much money, and the amendment now pending before the House aims to bring a reduction in that particular department in line with the policy of the Federal Government for a reduction of 25 per cent generally in all departments of the Government.

I have been told, and so have you, that up to the present moment the reduction made for the Prohibition Unit below the recommendation of the Director of the Budget has been 5 per cent. We have also been told that the reduction for the Department of Commerce is 18 per cent. Be that as it may, we are aiming, Mr. Chairman, to reduce appropriations in every department of the Government. In this particular department, controlling nothing but clerks—90 per cent of the money goes for that—I maintain that the \$7,199,986, which will remain in this bill if the amendment offered by the gentleman from New York [Mr. GRIFFIN] is agreed to, is ample under any reasonable form of government, to carry this department through to its successful or unsuccessful conclusion. The amount carried in the bill is not available until July 1 of this year. By that time undoubtedly, we will agree, the manufacture and sale of beer will have been legalized.

Mr. BLANTON. No.

Mr. BRITTEN. The gentleman from Texas says "no," because the gentleman does not know what is going on, but everybody else does.

Beer will have been legalized, and the work now connected therewith will no longer be performed by the Prohibition Enforcement Unit. That work undoubtedly to-day is costing the bureau many millions of dollars. In the interest of the taxpayers, from whom the \$9,120,000 that is carried in the bill comes, we are reducing salaries. Last year we reduced the salaries of the poor, underpaid postal employee who has a family of four or five to care for. We have piled income taxes and excise taxes upon the shoulders of the taxpayers until to-day they are a tremendous burden. This must come to an end. We are destroying business as well as initiative, and at the same time squandering the money we collect through taxation.

Let me call your attention to a few of the many nuisance taxes this Congress has imposed upon a weary public:



Increased postage from 2 cents to 3 cents. That is made necessary by amounts like the amount carried in this bill—\$9,000,000—for an unpopular cause, to say the least.

Bank-check stamps, legal conveyances, electric energy that goes into almost every home in the United States are taxed in order to bring money for the Prohibition Department and other departments of the Government. Are we going to squander a great portion of that \$9,000,000 or are we going to attempt to save some of it? That is the question before the House this afternoon.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SHREVE. I yield the gentleman from Illinois one additional minute, Mr. Chairman.

Mr. BRITTEN. Small safe-deposit boxes and many other directions which have never in the history of this Government been taxed, are now being taxed in order to get money to pay for such activities as are carried in this bill. We tax telephone and telegraph messages, soft drinks in every drug store, candy, chewing gum, radios, cameras, tobacco, matches, movies and amusements of every sort, even baseball games. We have piled taxes upon the automobile and its accessories until now it is the most highly taxed piece of mechanical equipment in all the world. The voters of the country last November emphatically registered their disapproval of the eighteenth amendment as well as the now discredited Volstead Law, and this House has an opportunity to record its vote in favor of an economy which will meet with the popular accord of millions of people in every State of the Union. Prohibition as a national policy, is dead. The various States will soon regulate their own alcoholic-beverage traffic. Fanaticism, bigotry, and intolerance have played their complete part in the destruction of an ignoble experiment.

While millions of dissatisfied taxpayers are being taxed to put this \$9,120,000 and other millions into the Federal Treasury, we should at least promote economies where they can so easily be made effective.

The amendment of the gentleman from New York [Mr. GRIFFIN] should be adopted. It is in the interest of good business. Surely they can reduce their clerical force; they can easily bring about such reorganization of the Prohibition Bureau as will be made necessary by this amendment.

[Here the gavel fell.]

Mr. SHREVE. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. MOORE].

Mr. MOORE of Ohio. Mr. Chairman, the gentleman from Illinois, who has just spoken, is still consistent. He was opposed to the eighteenth amendment in the beginning and he is still opposed to it. It may not be removed from the Constitution as soon as he thinks it will be. I venture to say it will be in the Constitution a year from now in spite of the prediction of the gentleman from Illinois.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Ohio. I yield.

Mr. BRITTEN. I said "legalized beer" and nothing about the eighteenth amendment.

Mr. MOORE of Ohio. Well, I do not know, of course, but since we did not get beer by Christmas, as promised by its advocates, we may not even have beer a year from now. As the dates are being advanced, I do not know when we shall have beer. At any rate, the eighteenth amendment is in the Constitution now and those who believe in law enforcement ought to be willing to support sufficient appropriations to enforce the law.

The gentleman from Illinois makes a very specious argument, as though all of the taxes for increased postage went into this particular item for prohibition enforcement. Those special taxes go into the Treasury of the United States for general taxation purposes. If the gentleman were consistent, he would advocate a 25 per cent reduction, or whatever it is, for the entire bill; but, of course, the animus of the gentleman is against prohibition and its enforcement. He continually speaks about that subject, but while it is in the Constitution he should insist upon an adequate amount of

money to enforce it. Of course, the gentleman thinks that this is sufficient to carry on the work of the department. I imagine that Mr. Woodcock knows more about what it ought to take to enforce the prohibition laws than does the gentleman from Illinois. In fact, the Prohibition Department asked for more than the amount that is allowed here. It seems to me if we want to reduce expenditures and appropriations, and we all do, we ought to be fair enough not to aim at one particular branch of the Government. There is a group that claim to want to economize, but all their efforts are directed toward economy in the Department of Prohibition. All these years they have been giving comfort to those who have been violating the prohibition laws.

The one who has the responsibility of enforcing these laws frequently has said that the agitation and the attitude of men like the gentleman from Illinois have given encouragement to the lawbreakers, not only by what they say, but by their act in wanting to cut the appropriations. The gentleman evidently does not want to enforce the law even while it is in the Constitution.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Ohio. I yield.

Mr. BRITTEN. The gentleman has suggested that attitudes like mine have lent peace, comfort, and assistance to those who have violated the law. I rarely see the gentleman at a dinner around Washington, so he, consequently, does not know that there is drinking in practically every home in Washington almost every night by officials, almost from the highest official in the United States Government down to the gentleman himself, a Member of Congress—every day and every night of every year since prohibition went into effect. The gentleman, of course, does not know that, he is such a hidebound prohibitionist.

Mr. MOORE of Ohio. Evidently the gentleman from Illinois would like to leave the impression that simply because there is drinking in the homes where he goes there is drinking in every home in Washington. [Applause.]

Mr. BRITTEN. I applaud that statement. I agree with the gentleman; there is in nearly every home.

Mr. MOORE of Ohio. It is absolutely unfounded, and it shows the poor taste and the lack of information on the part of the gentleman from Illinois, because I have gone around a little myself in the last 14 years. There is no drinking in the homes where I go. [Applause.]

[Here the gavel fell.]

Mr. GRIFFIN. Mr. Chairman, I yield three minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, the gentleman from Ohio [Mr. MOORE] would have you believe that no Government agency is being cut except the Prohibition Bureau. Why, we have cut the Bureau of Foreign and Domestic Commerce, also in this bill, almost 35 per cent in two years, but when we take a couple of million dollars away from prohibition enforcement the cry goes up that those who favor reduction are only the Members who oppose prohibition. Such is not the case.

What has prohibition done? In 1932 there were 13,698 Government prisoners in penitentiaries and 12,000 in jails. Why do we not have over 50,000 in these institutions? Simply because Congress passed the probation law and the Federal judges of this country have placed upon probation since that law was enacted a few years ago over 25,000 citizens who violated the Volstead law. Had it not been for that law they too would be in jail.

When you put a man in the penitentiary, when you put a man in jail, you are only saddling additional expense upon the taxpayers of this country; the prisoners must be maintained; and fully 85 per cent of the taxpayers of this country told you on November 8 last that they no longer wanted this law in effect; they no longer wanted their money spent in this way.

I say that the Prohibition Department is receiving more than it actually deserves, because it can not enforce the law; any fair-minded person knows that you could appro-



priate \$100,000,000 and still could not enforce prohibition in this country. You never will enforce it.

The gentleman from Ohio says he has been around. Well, if he goes around a little more he will see what exists in this country. I can take him around and show him in any city of the United States—and I have been around a little too—I will bet him \$500 that within an hour's time in any big city he can get liquor if he has the money to buy it, and I do not exempt any one city—North, South, East, or West; I will take him into his own State of Ohio, because I have been in the city of Columbus, which is the seat of the Anti-Saloon League headquarters, where you can buy liquor just as fast as you like if you have the money to pay for it.

Colonel Woodcock is an excellent official. He has tried hard. There has been less scandal under his régime than prior to the time he took office. He tries to keep his men from violating one law to enforce another law, but with all his skill, with all his experience, the best we can say for him is that he has been a faithful public servant; he has performed his duty but the overwhelming sentiment throughout the Nation in opposition to the law he would enforce has prevented him from even making a little dent in the liquor traffic.

Colonel Youngquist likewise is an honest gentleman who will not tolerate the personnel of the enforcement agency's violating the regulations laid down by the Attorney General. He, too, fails because of the situation that confronts him. All the colonels in this land—and I might add generals and admirals—can not enforce this law, no matter what funds are placed at their disposal.

The amendments upon which we are soon to vote simply save the taxpayers money. Can you name any law other than the Harrison Narcotic Act and the revenue acts where we set up an individual enforcement agency? Look at the appropriation for enforcing the narcotic act! Why, Mr. Chairman, I would rather place 1 man back of the bars for selling dope than put 5,000 men in the penitentiary for selling liquor. Still the Congress gives the Narcotic Bureau a little over \$1,000,000. The country is honeycombed with drug addicts; dangerous men and women. The great majority commit crime to buy the drug they must have. They are most unfortunate people—diseased people; but instead of going after those who dispense dope in a real way we give them a small sum. Why? Because there is no Anti-Saloon League with a big lobby threatening Members of Congress in support of the enforcement of that law.

The sentiment existing in this country in opposition to the eighteenth amendment and Volstead law prevents enforcement. Increase the agents to any number and the violations would still prevail.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. BLANTON. The gentleman is proving our case for the need of more money for enforcement. [Applause.]

Mr. COCHRAN of Missouri. We could appropriate \$100,000,000 for enforcement, but this law would not be enforced. I will take the gentleman from Texas [Mr. BLANTON] to Texas, where I was in 1928, where you could get all you wanted, the Texas Rangers notwithstanding. [Applause.] No matter where you go—I do not care where it is in this country, the city of Washington or any other place—you can get all the liquor you want to buy; and everybody who has been around who is awake to conditions must admit it.

Frankly this bootlegging business is causing the people of this country a great deal of concern. The bootleggers who now support the dries—they do not want their source of living taken from them—have methods that enable them to deceive their customers. They not only print the labels but have identical bottles manufactured, printed wrappers, and even the corks have the name of some Canadian or other foreign brand of liquor blown in. They sell this to the public at high prices, making them believe that they are getting foreign-made goods. When it is opened it is found to be North Carolina, Virginia, Maryland, South Carolina, or some other kind of rye, a few weeks old, which you can buy in

those States for as low as \$3 or \$4 a gallon, but which brings big prices when placed in bottles with labels and wrapped exactly like the product manufactured abroad and in Canada. It might be well to spend some of this money to protect the innocent investor.

I have been fair to the Prohibition Unit. I voted for the past appropriations, but in my last campaign I told my constituents I was through, that I would vote to hold the appropriations down to the minimum, and I propose to do so to-day.

Let the bureau use what it gets to try and stop some of the illicit manufacture of liquor. It can not do it, for as soon as they destroy one still another is put up.

The recent decision of the Supreme Court on entrapment spells the death of prohibition enforcement. How can a Federal agent make a case if he does not induce the bootlegger or proprietor of a speakeasy to violate the law. When he does that it is practically entrapment. It seems to me that the only field for enforcement now is the source of manufacture. Leave the fellow who sells a pint or a drink alone for a while and concentrate all efforts and use what money is appropriated to try and destroy the source.

Concluding, Mr. Chairman, let me say prohibition has failed; the people, knowing this noble experiment had had a fair trial, spoke last November. Why, then, should we spend the taxpayers' money in times such as we are now experiencing to try and enforce a law which all honest men and women who know conditions must admit is impossible.

[Here the gavel fell.]

Mr. TINKHAM. Mr. Chairman, I yield five minutes of my time to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Chairman and members of the committee, I was, indeed, gratified to hear the American speech of our heretofore dry Democratic colleague from Georgia [Mr. TARVER]. I do not agree, however, with his statement that there was drunkenness and high-power beer sold at the Texas barbecue. He perhaps observed a few of the disciples of Bishop Cannon down there drinking near beer. The bishop testified before the Committee on Ways and Means that several of his disciples claimed to have become intoxicated as a result of drinking a couple of bottles of one-half of 1 per cent near beer.

I almost agree with the statement of the gentleman from Ohio [Mr. MOORE] when he said a year will roll by and we will still have the eighteenth amendment. A year will roll by, and two years will roll by, and we will still have the eighteenth amendment, unless our Democratic colleagues who have control of the House take the bull by the horns and vote to submit a repeal resolution at this session.

If you wait until the next session of Congress, many of the State legislatures will have adjourned; and if action is to be taken by States through legislative action, you will not have this action. If action looking toward repeal is to be taken by State conventions, many of the State legislatures which must provide for the conventions will not be in session. I prophesy right now that unless you can convert six of the dry-voting Democrats and submit an eighteenth amendment repeal resolution at this session, you will find two years from now that the eighteenth amendment is still in the Constitution.

It is reasonable in these days of high cost of government to reduce the appropriations for prohibition enforcement 25 per cent in order to relieve the taxpayers. The Democratic Party promised to reduce all appropriations for the Government 25 per cent. We have to cut the cost of government. The excessive burdens of taxation are helping to crucify the American people and keep people who have money from putting it into industry and furnishing employment. We can also help these overburdened taxpayers by adopting the Tinkham amendment and stopping the expenditure of many thousands of dollars of the taxpayers' money to purchase booze to be consumed by prohibition agents and stool pigeons.

Look at the newspapers each day, and you will find that some of these agents admit before court commissioners and admit when testifying in court that they make 10 or 12



purchases of whisky and drink it before they make an arrest.

For goodness sake, let us give some relief to the overburdened American taxpayers, and let us commence to give that relief in this prohibition appropriation bill, particularly in view of the promise of the Democratic Party to reduce the expenditures of government 25 per cent and to also abolish prohibition.

I hope that you will also vote for the amendment to prevent wire tapping. We know that the sanctity of the home has been destroyed and the home life of the American people has been subjected to a despicable system of espionage under the wire-tapping practice. It is only fitting that the distinguished gentleman from the Commonwealth of Massachusetts [Mr. TINKHAM] should offer this amendment, because many years ago the citizens of that Commonwealth rose up and protested against the invasion of the home and the home life of the American people by the use of similar despicable means. If there is any doubt among any of you Democrats as to whether or not the anti-wire-tapping amendment should be adopted, I submit for your consideration the opinion of that sterling American, that noble Democrat, Justice Brandeis, in the wire-tapping case of Olmstead against United States, in which opinion he bitterly denounced this nefarious practice. I ask you Democrats to follow Justice Brandeis and not "Justice" BLANTON on this proposition. [Laughter and applause.]

Mr. TINKHAM. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, I rise to advocate, as I have done for many years in the House, prohibition reform. I rise now to support the amendments or curtail terrifically heavy prohibition-enforcement appropriations and the fanatical, terroristic practices of telephone wire tapping, appropriating money for the purchase and consumption of intoxicating liquor by prohibition agents, and for the payment of civilian snoopers outside the service.

For years I have fought these abuses and for some years I have had pending in Congress a bill to abolish wire tapping by prohibition agents.

The country is in a rage that the present session has not seen the passage of a beer bill or a bill for the repeal of the eighteenth amendment. It is also furious that appropriations have not been drastically cut down or abolished for the special enforcement of prohibition.

We have not even considered the repeal of the odious Jones 5-and-10 law nor the repeal of the law allowing the seizure and sale of automobiles owned by innocent persons. Auto sales dealers and the big manufacturing companies lose over a million dollars a year by the operation of this law.

We have had responsible leaders testifying before our committees that large groups of our people are meditating revolt or revolution unless they get relief from Congress.

I do not believe that all Members of Congress appreciate the terrific undercurrent of dissatisfaction prevalent among our people to-day. I talk to dozens of people every day, in every walk of life, and invariably the question is brought up about the way Congress is fiddling away its time in Washington.

We have been in session now about eight weeks, but little has been accomplished. You would be surprised to know of the radical ideas that some of the biggest and best business men are advocating. If ever there was a repetition of history, of Nero fiddling while Rome was burning, we have an instance now of Congress monkeying while the country is going to the dogs.

In past debates on prohibition-enforcement appropriations I called attention in the House to the fact that the Appropriations Committee of the House is packed with drys, consciously or unconsciously. This subcommittee on the Justice Department is packed 4 to 2. At least they were drys before the last election. Another subcommittee appropriates more money for prohibition enforcement than is appropriated in this bill. There are six drys and no wets on that subcommittee. Another subcommittee, which has

occasionally handled prohibition-enforcement appropriations, has 10 drys and no wets.

In the next Congress, if justice is done to the country, the leaders of the House should appoint a larger proportion of wets on that committee. The committee should be controlled by the wets.

It can not be considered otherwise to-day than that prohibition is the sacred cow of the Appropriations Committee and is going to get the least cut of any items appropriated.

It can not be otherwise also than that the gentleman from Massachusetts [Mr. TINKHAM], who has been a fighting wet on that committee for years, is to-day the black sheep of that committee, and that is why he is denounced to-day. He is one of the most valuable Members of the House. The wets gain hundreds of millions of dollars in revenue and also will save millions in appropriations and taxes, all for the people.

It has been made clear by the gentleman from New York [Mr. GRIFFIN], a member of the subcommittee, that a department like the Department of Commerce has been cut 18 per cent and which has control of the life-saving maritime activities of the Government and has in charge the safety of the lives of millions of passengers on the water.

In the Commerce Department, the Bureau of Standards, which is for research and the advancement of industry, has been cut. The Bureau of Foreign and Domestic Commerce has taken a terrific cut. It is claimed on every hand that the country will never come back unless its trade is revived, and we are particularly anxious to see our foreign trade revived, and it is the business particularly of the Bureau of Foreign and Domestic Commerce to promote this trade. Yet it is heavily cut.

The gentleman from Maine [Mr. BEEBY], in effect, said, "Wait and let the people act on prohibition through their legislatures or through their conventions and see what the ultimatum is, or wait for action of the next House and Senate."

We got a flat wet ultimatum in the elections last fall. We got an ultimatum also last June, when both political parties went wet in their platforms. Why wait any further while the country suffers?

An official of the Department of Justice tells me that it costs \$183 to bring a person charged with violating the prohibition laws to jail. Upon this tremendous cost is superimposed the cost of two juries, the grand jury, and the petit jury, the cost of the district attorney's office, and the cost of the judge's office and the marshal's office, as well as the maintenance in jail of the prisoner for whatever sentence he receives, and then also the cost of maintaining his wife and children or other dependents, which is usually done by the public welfare.

The wet amendments are not intended to destroy the administration of justice. In my city we have 3,300 policemen, deputies, and so forth, to enforce Federal and other laws, and Congress has been drastic enough also to send to Detroit about 600 border patrolmen, a large portion of whom are customs border officers, for the sole purpose of enforcing the prohibition law. The rest of them are immigration border patrolmen. Then you superimpose upon these officers prohibition agents, and the system of tiers of police upon one another is worse than in Russia, even in the days of the Czar.

If you had a Federal law against the use of tobacco or chewing gum, you would probably regard it as absurd to appropriate \$9,000,000 in addition to the appropriations for all other law enforcement, for the enforcement of that particular law. It is just as silly to do so for beer or liquor.

One gentleman has said, "Do not worry about wire tapping; it is only being used to catch criminals."

In my State the telephone wire of the highest Federal official in the State was tapped, that of the collector of customs. He was an innocent man and was proved so. The Justice Department did it, and the Treasury Department did not know it. They tapped the wire of the collector of customs, not in his office, but in his home, and



listened to the conversations between his wife and himself of an intimate nature and other intimate conversations. He was thus made an easy prey to embarrassment or even blackmail. If the highest official of the Federal Government in Michigan was not immune from Federal wire tappers, how could a Congressman or Senator or even the President be regarded as immune?

Mr. SHREVE. Mr. Chairman, it seems to me that in all the discussion to-day we have lost sight of one thing. We have lost sight of one of the very fundamentals of this proposed legislation, in that we have lost sight of the revenue end of it.

Now, I have been told that the beer bill would bring in about \$125,000,000. That bill is coming along soon, and I want to ask what useful purpose will the bill serve unless these men who pay \$1,000 for a permit to manufacture beer and the others \$1,000 for a permit to sell it unless they are protected from foreign invasion?

I want to read a portion of an article, and then I am through. It is from Ottawa, Canada, January 17:

Domestic rum runners are preparing for an onslaught on the American market, it was revealed here to-day under a peculiar construction on Canada's criminal code, whereby the Dominion Government's ban on liquor exports to prohibition countries could be voided as regards the United States if the American Congress legalizes 3.2 beer.

Liquor shipments are increasing to the French islands in the Gulf of St. Lawrence, outlet for wet cargoes to the United States, and a veritable flood of whisky, gin, beer, and wine is expected to be unleashed for destination across the border once the beer bill before Congress is passed.

What are you going to do about it? How will you raise \$125,000,000 if you are going to allow a flood of liquor to come into the United States? How are you going to collect the revenue if you cut down the appropriation and tear down the law enforcement?

Mr. HERR. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. HERR. I want to say that in my own State of Washington, at the last election, we repealed all the prohibition laws as far as the State is concerned. We have between seven and eight officials trying to keep out the flood that the gentleman is talking about which to-day is flooding the State of Washington and will continue.

Mr. CLANCY. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. CLANCY. I want to ask the gentleman if it is not true that we passed the Treasury Department appropriation bill with appropriations for customs patrol and border patrol to prevent the flood of these liquors from Canada?

Mr. SHREVE. That is true, but we know the situation there. I live on the shores of Lake Erie the same as does the gentleman, and we know that they are not going to stop the rush of liquor unless there are law-enforcement officers in his city and mine. I am talking about protecting the brewery men, the manufacturers of beer, and those who will sell it. Where are you going to get the \$125,000,000 that you say the bill will bring in?

[Here the gavel fell.]

Mr. GRIFFIN. Mr. Chairman, I yield four minutes to the gentleman from Illinois [Mr. SABATH.]

Mr. SABATH. Mr. Chairman and gentlemen of the committee, whether we favor or oppose prohibition, I feel that we should support and adopt the amendment offered by the gentleman from New York [Mr. GRIFFIN]. If there were any chance of reducing it by 50 per cent, I, myself, would favor it and vote for it; in fact, I would even eliminate it altogether; but I realize there is no possible chance of that.

The country demands economy. We have been trying to economize, and have done so in some departments.

In view of conditions, I feel that a 20 per cent reduction in the Prohibition Bureau is a reasonable one. Hardly a day passes that we do not hear from all sections of the country and read in practically every newspaper of the clamor for balancing the Budget and rigid economies. I realize, and I know that you gentlemen realize, that it is propaganda carried on by the shrewdest of publicity men and lobbyists who have been engaged by the very men who

brought about this prohibition, by such moralists as Stillman and Kresge, and by the gentlemen who, the evidence only yesterday disclosed, control about 1,147 directorships in the various banks, insurance companies, railroads, and large industrial companies. These are the men who are behind the movement and behind this lobby to balance the Budget. They know that the balancing of the Budget will not start the wheels of commerce going again. They know that; but they are trying to take advantage of the unfortunate situation which the country is in now in order to bring about the reduction of the salary of every employee, regardless of the small amount that he may earn, because they can point out in their own establishments that even the Government has reduced salaries by 15 or 20 per cent and that they, consequently, must do likewise.

It is high time that we demonstrate to the country that we are honest and sincere in our efforts to bring about economy, not because of any reaction to the propaganda, but because we recognize that conditions make it imperative that we economize. I am opposed to the cutting of wages and salaries of the low-paid men; but this apparently is the aim of those who advocate the balancing of the Budget, and who are shouting day in and day out for economy. If these railroad presidents who are drawing salaries of \$100,000 to \$120,000 a year—money which comes out of the proceeds of the revenues and from the stockholders—would reduce their salaries by one-half or by 75 per cent, they would be justified in criticising the House and in saying that we are not trying to bring about economy. It is these very men who are drawing \$100,000 and \$150,000 a year as officers of these corporations who are demanding the balancing of the Budget and who are disregarding the people of the United States every day in the year.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SHREVE. Mr. Chairman, I yield nine minutes to the gentleman from Alabama [Mr. OLIVER] or his representative, Mr. GRIFFIN.

Mr. GRIFFIN. Mr. Chairman, I yield four minutes to the gentleman from Texas [Mr. BLANTON].

Mr. SABATH. Mr. Chairman, a parliamentary inquiry. The gentleman has spoken on this question before.

Mr. BLANTON. Mr. Chairman, I refuse to yield for a parliamentary inquiry.

The CHAIRMAN. The gentleman from Texas refuses to yield for that purpose.

Mr. BLANTON. Mr. Chairman, usually those who propose amendments speak for them so as to allow those who do not agree with them to answer in debate. I was in hopes of being able to use part of my time to answer the gentleman from Massachusetts [Mr. TINKHAM], who proposes some very drastic amendments. But he saves his speech until last, so I can not follow him.

It is impossible to ferret out and locate and identify the heads of big national and international liquor rings that violate our prohibition laws in the United States without some wire tapping under safeguards. Both the Attorney General and Colonel Woodcock state that emphatically. It is absolutely necessary, once in a while, to use wire tapping in locating the heads of these big rings. They manipulate in the dark, they manipulate under cover. Even their employees do not know who they are, sometimes. Why should we protect them? Who are they that they should receive congressional protection?

Mr. BEEDY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I have not the time. My friend from Massachusetts [Mr. TINKHAM] would take that arm of enforcement away from our Department of Justice. He would destroy all enforcement if he could. I want you to get the printed hearings on the Department of Justice bill and turn to page 310, and there you will see that for several hours, going from one day to the next, and in 43 pages of printed hearings, the gentleman from Massachusetts, who is a shrewd lawyer, with a big brief, asked question after question of Mr. Woodcock, and every



question he asked Colonel Woodcock knocked his eye out with a definite, decisive, conclusive answer. Read it. He was not able to shake him in a single position. Finally, he gave up in disgust this year just as he did last year, as you will see if you will look also at the hearings on the bill last year.

What are we going to do? Are we going to cripple prohibition enforcement? If so, why? What is our purpose? My friend from Illinois [Mr. BRITTEN] says that in spite of the eighteenth amendment, even though it is not repealed, that there will be a beer bill passed into law. If there is, it will be because somebody violates his oath. My friend in the next Congress will have to take the oath and swear that he will support and defend the Constitution, without any evasion. That means that he will support every part of the Constitution, including the eighteenth amendment.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. And if the next Congress comes in here and votes for intoxicating beer to be sold right in the face of the Constitution, then I ask my friend from Illinois, whether they will not be violating their oath of office.

Mr. BRITTEN. The gentleman knows that his Commander in Chief, the President elect, has also to take that oath of office, and he is for the repeal of the eighteenth amendment.

Mr. BLANTON. If he signs that beer bill, with the eighteenth amendment not repealed, he will violate his oath also.

Mr. BRITTEN. He will sign it, if President Hoover does not.

Mr. BLANTON. I don't believe either will violate their oath.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TINKHAM. Mr. Chairman, the honorable Representative from Texas, as is his wont, is continuing his attacks upon me. I have been used to attacks for about 30 years. I am absolutely indifferent to them, so the honorable Representative is wasting his time. In fact, I welcome attacks from certain sources.

The House knows as well as I do that there is something wrong with the honorable Representative from Texas [Mr. BLANTON], and as I understand it, the consensus of his colleagues is that his habits are not so convivial after the Congress adjourns as they might well be, which perhaps accounts for his animosity against both things and individuals, and I might say against the world. [Laughter.]

Now, in relation to the three amendments I have offered, one is against the purchase of liquor with Government money, in violation of the prohibition law, often involving entrapment, which is implicit in this practice, a practice which has been denounced repeatedly during the last 12 years not only by the lower courts but by the upper courts as well, and recently by the Supreme Court of the United States.

The second amendment is in relation to the employment of stool pigeons. Think of a government employing the lowest class of people in the world, men who are criminals, and spending money to the extent of \$50,000 a year in that practice. There is \$50,000 in this bill for that purpose and \$125,000 for the purpose of purchasing liquor illegally. These are unclean expenditures and discreditable to any government.

The third amendment is to prevent wire tapping.

Now, in relation to wire tapping, let me read one or two paragraphs from a decision by Mr. Justice Brandeis of the Supreme Court of the United States. In the case of *Olmstead et al. v. United States* (277 U. S. 438) he says:

The evil incident to invasion of the privacy of the telephone is far greater than that involved in tampering with the mails. Whenever a telephone line is tapped, the privacy of the persons at both ends of the line is invaded and all conversations between them upon any subject, and although proper, confidential, and privileged, may be overheard. Moreover, the tapping of one man's telephone line involves the tapping of the telephone of every other person whom he may call or who may call him. As a means of espionage, writs of assistance and general warrants are but puny instruments of tyranny and oppression when compared with wire tapping.

Can this House, after an expression of that character by Mr. Justice Brandeis, an honored member of the Supreme Court of the United States, approve the practice of wire tapping? His language is flaming language. It is the language of the spirit of America against espionage, against violation of the privacy of the individual, and for the preservation of the integrity of the home.

Further, let me reply to the defense that is made for wire tapping that it is for the enforcement of law, that criminals must be apprehended, as Mr. Justice Brandeis states in the same case:

And it is also immaterial that the intrusion was in aid of law enforcement. Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficent. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well meaning but without understanding.

I might add that Justice Holmes denounced this practice in the same case, in the following language:

It is desirable that criminals should be detected, and to that end that all available evidence should be used. It also is desirable that the Government should not itself foster and pay for other crimes, when they are the means by which the evidence is to be obtained. \* \* \* We have to choose, and for my part I think it a less evil that some criminals should escape than that the Government should play an ignoble part.

For those who agree with me, no distinction can be taken between the Government as prosecutor and the Government as judge. If the existing code does not permit district attorneys to have a hand in such dirty business it does not permit the judge to allow such iniquities to succeed. \* \* \* It is true that a State can not make rules of evidence for courts of the United States, but the State has authority over the conduct in question, and I hardly think that the United States would appear to greater advantage when paying for an odious crime against State law than when inciting to the disregard of its own.

In relation to the purchase of liquor, here is an Associated Press dispatch from Chicago, May 24, 1932, less than a year ago:

Federal Judge George A. Carpenter has ruled that a prohibition agent who admits taking nine drinks of liquor, which he himself describes as intoxicating, is in no position to testify at a later date regarding his purchases.

In other words, a prohibition agent takes nine drinks and then appears in court as an accusatory witness. That is not an isolated case, but it is typical of hundreds or thousands of cases during the 12 years of the tyranny of prohibition. Such a practice of policy of Government would discredit any law as it has prohibition.

Mr. KNUTSON. Will the gentleman yield?

Mr. TINKHAM. For a moment; yes.

Mr. KNUTSON. Has it not been the gentleman's observation that the Prohibition Department has confined itself to the small violator and has almost altogether ignored the big dealer in alcohol?

Mr. TINKHAM. Well, as far as purchasing drinks is concerned, I think that is true.

Mr. KNUTSON. No; I mean as far as enforcing the law is concerned.

Mr. TINKHAM. Well, I do not know whether that is true or not. The department alleges otherwise.

I have here another dispatch showing the effect of this policy and practice. It is from the Baltimore Sun, and it is headed "Arrested for Driving Drunk":

Ival H. Hatton, a Baltimore prohibition agent, spending a 2-day annual leave near here, was arrested here early to-day on a charge of driving an automobile under the influence of liquor.

After spending most of the day in the city jail, he was released upon posting \$101.75 collateral, which he forfeited by failing to appear for trial several hours later. \* \* \*

The police said Hatton admitted having had several highballs. A woman riding in his car at the time of the arrest was not held. Hatton described himself as a Federal employee but did not state his duties.

These two cases illustrate what is occurring in every State in this Union by a practice which one of my amendments seeks to discontinue.

The scandals of attempted prohibition enforcement have not only discredited prohibition but have also been a large



contributor to the social chaos in which the American Republic is now plunged.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. WILLIAM E. HULL. Is it not also true that they are and have been employing women to do this work?

Mr. TINKHAM. They were recently forbidden to do that. Here is another case:

#### DRY RAIDERS WHO USED EAGLES' CARDS SCORED

PHILADELPHIA, March 1.—Methods of prohibition agents whose raids led to padlocking of seven Eagle lodges in western Pennsylvania were denounced by judges of the United States Circuit Court of Appeals to-day in reversing a padlock order imposed by the Federal court at Pittsburgh last June.

Two prohibition agents used lodge membership cards bearing fictitious names to gain entry to the lodge rooms, where they allegedly bought beer and liquor, and later obtained search warrants on which raids were conducted.

As recently as December 19, 1932, the Supreme Court decided against the contentions of the Government (*C. V. Sorrells v. The United States of America*). I quote from the decision:

The substance of the testimony at the trial as to entrapment was as follows: For the Government, one Martin, a prohibition agent, testified that having resided for a time in Haywood County, N. C., where he posed as a tourist, he visited defendant's home, near Canton, on Sunday, July 13, 1930, accompanied by three residents of the county who knew the defendant well. He was introduced as a resident of Charlotte who was stopping for a time at Clyde. The witness ascertained that defendant was a veteran of the World War and a former member of the Thirtieth Division, American Expeditionary Force. Witness informed defendant that he was also an ex-service man and a former member of the same division, which was true. Witness asked defendant if he could get the witness some liquor, and defendant stated that he did not have any. Later there was a second request, without result. One of those present, one Jones, was also an ex-service man and a former member of the Thirtieth Division, and the conversation turned to the war experiences of the three. After this, witness asked defendant for a third time to get him some liquor, whereupon defendant left his home and after a few minutes came back with a half gallon of liquor, for which the witness paid defendant \$5. Martin also testified that he was "the first and only person among those present at the time who said anything about securing some liquor," and that his purpose was to prosecute the defendant for procuring and selling it. The Government rested its case on Martin's testimony.

Further in this decision it is stated:

It is clear that the evidence was sufficient to warrant a finding that the act for which defendant was prosecuted was instigated by the prohibition agent; that it was the creature of his purpose; that defendant had no previous disposition to commit it, but was an industrious, law-abiding citizen; and that the agent lured defendant, otherwise innocent, to its commission by repeated and persistent solicitation, in which he succeeded by taking advantage of the sentiment aroused by reminiscences of their experiences as companions in arms in the World War. Such a gross abuse of authority given for the purpose of detecting and punishing crime and not for the making of criminals deserves the severest condemnation, but the question whether it precludes prosecution or affords a ground of defense, and, if so, upon what theory, has given rise to conflicting opinions.

I hope the committee will accept the amendment forbidding the use of Federal funds for the tapping of wires, a contemptible and nefarious practice.

I hope the committee will also accept the amendment to prevent the purchase of liquor with Federal funds. Its abuses, its iniquities, and its example are ruinous to ethical as well as to legal standards.

I hope further that the committee will accept the amendment to prevent the employment of stool pigeons, a despicable and vile policy.

[Here the gavel fell.]

Mr. GRIFFIN. Mr. Chairman, I yield four minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, my amendment strikes out the entire appropriation for enforcement. I offer it in good faith. I have always taken this position. I am shocked to-day to see some Members whom we used to include in our wet cause doing what I call pussyfooting on it and going only part of the way.

If the Democratic Party—and I will speak only for my own party—did have a mandate from the people it was to repeal the eighteenth amendment and to restore beer. The Democratic Party on November 8, last, was informed that the

people of America were against enforcement. I have said before, and I will say it now, that the statement that "while it is a law we must enforce it as a law," is nothing less than demagogic claptrap, whoever utters it, because there is not a man or woman here who would go to the logical conclusion and enforce it. There may be one or two men here who have never seen the law violated.

If they saw the law against burglary or the law against rape violated, they would not condone it; they would see that it was enforced; but what man here seeing this law violated would go to the extreme limit and see that it was enforced? Why, if that were true, we would be a nation of informers.

When the votes are counted and the Members pass through that aisle a check will be made on everybody on the Democratic side who passes through there for or against these amendments, so we may know when we meet here in April who are the people who are abiding by the Democratic platform and who are those who pretend at one time to be wet and the next moment reverse to dry.

Now, if you are against wasting \$9,000,000, why waste \$7,000,000? There is not a human being I know of, and that includes everybody in the House, who wants this law enforced to the ultimate limit. Why waste even \$7,000,000 when the Wickersham Committee has said it is not being enforced, when President Hoover says it is not being enforced, when everybody in America knows it is not being enforced?

The money is here in the Treasury until July 1. Wiping out this provision does not interfere with the Coast Guard or with the border patrol. There is plenty of money to carry out these activities. Why, by July 1 the beer bill will have been passed and a repeal amendment will have been submitted to the States. Do you say to me that you will go the limit and take the anomalous position that after the repeal amendment is submitted to the States with every expectancy that it will be adopted, you will still continue to appropriate for enforcement maybe for years until the machinery of the States get going? Is that what you think of the money of the taxpayers of America?

Now, let us see who walk through the aisle in support of these amendments.

Mr. BLANTON. Mr. Chairman, I make the point of order that this is not proper argument, undertaking to intimidate certain weak-kneed Members. [Laughter.]

[Here the gavel fell.]

Mr. KUNZ. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The time for the special order has expired.

Mr. STAFFORD. I make the point of order that the gentleman's motion is not in order. We are proceeding under a special order of the House, which directed the committee to have two hours of general debate upon the various amendments to the paragraph, and at the termination thereof to vote upon the respective amendments. Until that order is fulfilled, the gentleman can not get recognition by a motion to strike out the enacting clause.

The CHAIRMAN. The point of order is overruled. The special order does not interfere with the general rules of the House, which permit the Member to move to strike out the enacting clause.

Mr. KUNZ. Mr. Chairman, it is rather unfair to ask a Member in five minutes to answer the eminent gentleman from Alabama [Mr. OLIVER], who just took his seat, upon the question of the appropriation and the eighteenth amendment. Vox populi vox dei. The voice of the people is the voice of God. Since the inception of the eighteenth amendment there has been hypocrisy until the present day. The American people have been fooled from time to time, and I think it is about time now that a halt be called, and since they issued their mandate of last November, not a party issue, but upon the promise of the man that you elected President of the United States, that prohibition was doomed, then I say let it stand doomed; and you gentlemen are here as Representatives in Congress, not representing



yourselves as individuals but you are here representing the constituency that sent you here to vote as they directed you to do.

I hear men on the floor of the House talk about beer. In the name of Heaven, settle the question once and for all and take away from them that bawling cry of beer so that they can not go back to their constituents and say, "I cried beer and I wanted beer, but I could not get it." If it were not for beer they would not be here, but they have their beer cry and they dote upon it, and that is all they know. The old saying is, "Where ignorance is bliss 'tis folly to be wise."

Ever since the enactment of the eighteenth amendment we have been spending millions of dollars, not to prohibit the sale of liquor but to enrich those who are violating the Constitution, as in the case of Capone, whose source of income was from liquor. It is a well-known fact that he made his money and derived his power from illicit traffic in alcohol, but I ask any of you gentlemen, Was Capone ever arrested and convicted for the sale of alcohol? No; it was necessary for the Department of Justice to get him for evasion of his income tax, and the money appropriated for the Treasury Department investigation forces of prohibition was either wasted in the effort, if any effort was ever made to bring such a criminal to the bar of justice.

Now, the law allows such criminals and their cohorts to come in and pay their income tax on money made from illicit industry. Again, the law protects such criminals in that outside of a committee in Congress no Member of this House can look into the internal-revenue cases, where it is notoriously known that the profits derived by certain individuals are acquired in violation of the law.

The statement has been made by the gentleman from Alabama relative to obeying the law and the Constitution of the country. May I be permitted to call the attention of the gentleman that those States who have passed such stringent prohibition laws are in the minority, and I quote to him figures of the Census Bureau, where, in April, 1930, the minority States had but 39,132,546 population, and 8,854,826 were negroes. On April 1 the same year the total population of the majority States, the North, East, and West was 83,642,500, and of that, 2,613,259 were negroes and those negroes were permitted to cast their votes in accordance with Article 15 of the Constitution of the United States. Articles 14 and 15 apply to the minority States as to the rest of the Nation; so, then, why the purity of the eighteenth amendment, when two-thirds of the people of the United States are demanding, not asking, for its repeal.

It is amusing for a person of intelligence to listen to remarks on this floor made by the gentleman from Wisconsin in berating the Democratic Party and its pledges on the question of beer and prohibition. I am reminded of the story of the dog that continually barks but never bites; he bawls beer but he barks rather queer to an intelligent ear. He promised beer for votes, but evidently his ideas did not coincide with his constituents.

The Democratic Party is pledged to repeal, and Mr. Roosevelt was elected almost unanimously after his declaration that if elected prohibition would be doomed. Are we the dictators or servants of those who elected us to represent them in Congress? Are we going to tell the country that Congress will do as we please? In Illinois two years ago the people elected members to the senate and legislature with a mandate to repeal the search and seizure act and the legislature passed the bill, but Governor Emerson vetoed it.

Now, upon the question of economy. Before the election of a Democratic Speaker the Budget was unbalanced. The Secretary of the Treasury, Mr. Mellon, in a communication to Congress, voiced the warning that it would only be a question of time when the expenditures of the Government would exceed the income derived from this great Nation. It was then the hue and cry that economy should be practiced. To-day we find Congress economizing upon whom? The poorly paid Government worker who, like the small taxpayer of the Nation, is paying their income tax into the Treasury Department of the United States to pay the inter-

est on tax-exempt securities held by the wealthy, and who are protected by the law of the land and who do not have to pay any income tax to the Government if they do not want to by going into tax-exempt securities. If you want to economize, kill this appropriation of \$13,000,000 to enforce a law which the mandate of the people in the last election demands it be repealed. Get down to the principle of Abraham Lincoln that this Government is of the people, for the people, and by the people. Jefferson and Jackson fought the good fight for the rights of the people, and they listened to the voice of the people. We were strong then, but to-day it is a different question.

The great Roman Empire functioned at its best when the will of the people was carried out, but it fell when the few in their gluttony for money and licentiousness predominated. The same was the course of Poland after Napoleon entered and vassalized her people. No nation, as Lincoln so ably stated, can exist half free and half slave. Is the will of the people to be obeyed? That is the question to settle.

Now, you come in here and quote the Constitution and the eighteenth amendment. When the veto of the late lamented President Wilson was brought in on the Volstead Act, those men who now cry beer were not here to defend beer. Now it is a live issue. A great many men have changed their coats. They wore red, and now they dress in white, and they are trying to administer to the people of this country a recipe of how to make beer and how they ought to drink beer. Turn back to your Sixty-sixth Congress, first session, and you will find that 198 Members of Congress did not vote. Barely a majority of Congress were present at that time to override the veto of the President of the United States. Fifty-five voted "nay" and 175 voted to pass it over his veto. One hundred and ninety-eight were sitting on the rights of their constituents, and yet they tell you that we ought to have beer, and that we ought to repeal the eighteenth amendment, and the voice of the people was for repeal. Former President Wilson's words are prophetic in his message to the Sixty-sixth Congress vetoing the Volstead Act when he wrote:

In all matters having to do with the personal habits and customs of large numbers of our people we must be certain that the established processes of legal change are followed. In no other way can the salutary object sought to be accomplished by great reforms of this character be made satisfactory and permanent.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I ask for recognition, not to reply to the speech just made, because that might not be fair, but simply to give some information to the House that I feel it should know, because I think this body should consider correct facts in reaching its conclusion. Some allusion has been made to the fact that the appropriations for many departments carry a 20 per cent reduction for certain bureaus under Budget estimates. For that reason they insist this amendment carrying a like reduction in this appropriation is but following a consistent policy.

Mr. BRITTEN. Mr. Chairman, I make the point of order that the gentleman is not talking to the question before the House. He is making another speech in addition to the one he made a few minutes ago against the pending amendments.

The CHAIRMAN. The motion is to strike out the enacting clause, which covers the whole bill, and the gentleman is talking within his right.

Mr. OLIVER of Alabama. The only reduction made in any appropriation in the Department of Justice for any bureau charged with the duty of enforcing criminal statutes is in the Bureau of Investigation. That was made at the instance and with the approval of the Attorney General and the director, who said they felt that they could take the cut. They handle all kinds of violations other than violations of the prohibition law and have duties to perform in relation to the prohibition law. They took a reduction of \$10,000, but in no bureau charged with the enforcement of a criminal statute will you find a single reduction, except what the



committee has recommended for the item now under consideration.

We felt that no complaint could be reasonably registered against such reduction, because even though under the reduction made last year there had been about 100 agents discharged, we found the bureau was very effectually enforcing with such limited force the national prohibition law, and that we would be justified in taking a 5 per cent reduction in this appropriation. We must recognize that if we desire to uphold the majesty of the law we can not weaken the enforcement agencies. You must first take from the Constitution the eighteenth amendment before you undertake to weaken or tie the hands of officers charged with the duty of enforcing it in a positive, decent, lawful way, and I trust the House will follow the course it has previously taken in reference to like amendments, all of the pending amendments being substantial copies of amendments previously introduced and disapproved by Congress not once but several times. I respectfully submit no reasons have or can be suggested to show why a different course should be taken at this time on the pending amendments.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. LaGUARDIA. Mr. Chairman, I rise in opposition to the motion of the gentleman from Illinois to strike out the enacting clause.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman from Alabama [Mr. OLIVER] has consumed that time in opposition, and that all time has been consumed upon that motion. Five minutes were consumed by the gentleman from Illinois [Mr. KUNZ] in favor of striking out the enacting clause of this 4-departments appropriation bill, and the gentleman from Alabama consumed the other five minutes.

Mr. LaGUARDIA. Mr. Chairman, I have the floor.

The CHAIRMAN. The point of order is well taken. The Chair sustains the point of order.

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BLANTON. Mr. Chairman, under the special order I shall not object to the gentleman from New York who has not spoken, but I shall object to further speeches.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LaGUARDIA. Mr. Chairman, I simply wanted to call the attention of the House to the statement made by the gentleman from Alabama [Mr. OLIVER], who is always so fair and who knows the facts, but I believe in this instance the gentleman inadvertently misstated the situation as to enforcement, provided the pending amendments are adopted. The gentleman must admit that there is a changed attitude on the question of prohibition and that the country will in a very short time pass upon that question. In the meantime, I submit that the limitation of appropriation, as carried by the amendment offered by the gentleman from New York [Mr. GRIFFIN], would not impair the enforcement of the law as to commercial wholesale violations as described by the gentleman from Alabama. The limitation on funds not to be used for the purchase of liquor affects only the retail trade of liquor. It is not necessary, Mr. Chairman, for an agent to have consumed liquor in order to establish a case. The mere possession of liquor is sufficient for a conviction, and the \$7,000,000 which would remain under the amendment offered by the gentleman from New York would permit of the enforcement as to sources of supply, illicit stills, and the manufacture of illicit liquor. Surely it is sufficient to pursue, apprehend, and convict the real criminals if the officials would only go after the real crooks. It would not impair enforcement to that extent, and retail violations could well be left in the hands of local authorities.

The gentleman from Alabama [Mr. OLIVER], I am sure, did not intend to convey the idea that the amendment offered by the gentleman from New York [Mr. GRIFFIN]

or the limitations as to the use of those funds for wire tapping and the purchase of liquor, would make impossible the proper enforcement of the law. Again I say if the enforcement officials really will go after the real big fellows—that is not a matter of appropriations—that is not a matter of buying a single drink. It has been contended by the leading drys of this country that the function of the Federal Government in the enforcement of this law is to locate and stop the sources of supply and take care of the wholesale violations of the law, commercial violations of the law.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. LaGUARDIA. Yes; I yield.

Mr. BLANTON. The gentleman could have a thousand barrels of whisky in a warehouse to-day and until a Federal agent could show that it was intoxicating, he could not even get a warrant to search the house. He has to make purchases in order to prove that the liquor is intoxicating liquor before he can even get a warrant.

Mr. LaGUARDIA. Not at all. The gentleman is in error. If one has a thousand barrels of liquor it is no longer a home and not entitled to the protection of a home in respect to search. The mere presence of a thousand barrels of whisky would destroy the identity of a home. A search warrant is required only for homes. If a man has a thousand barrels of liquor in a warehouse or any other building, knowledge of that fact is sufficient to obtain a search warrant or even a seizure. The possession of such liquor is sufficient to constitute the crime.

Mr. BLANTON. The courts, however, will turn that liquor back as soon as they get it unless the agent shows that he had proof of its being intoxicating. They do it every day unless there is proof of its being intoxicating.

Mr. LaGUARDIA. No; not at all. A chemical analysis would indicate the alcoholic content. The point I want to stress is that under the pending amendment \$7,199,000 is left for enforcement of the prohibition law. The limitation on the expenditure of funds to buy liquor and tap wires will in no way impair the proper, decent, and lawful enforcement of that law. I urge the approval of the pending amendments.

The CHAIRMAN. The time of the gentleman from New York [Mr. LaGUARDIA] has expired.

Mr. KUNZ. Mr. Chairman, I ask unanimous consent to withdraw the motion I made.

Mr. BLANTON. Mr. Chairman, I object.

The CHAIRMAN. The question is on the motion made by the gentleman from Illinois [Mr. KUNZ] to strike the enacting clause.

The question was taken; and on a division (demanded by Mr. BLANTON) there were ayes 1 and noes 86.

So the motion was rejected.

Mr. DE PRIEST. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. Without objection, the Clerk will report the amendment offered by the gentleman from New York [Mr. GRIFFIN].

There was no objection.

Mr. GRIFFIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRIFFIN. In view of the fact that my amendment involves a reduction in the appropriation, and the opinions of the Members of the House may be influenced by the Tinkham amendments and the amendment offered by Mr. TARVER, I ask unanimous consent that the amendment covering the purchase of liquor and the purchase of evidence and wire tapping be considered first, because they would take out of the total appropriation several thousand dollars, if agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, the regular order. I think they should be taken up in the order in which they were offered.

The CHAIRMAN. The gentleman from New York [Mr. GRIFFIN] asks unanimous consent that the Tinkham and Tarver amendments be voted upon first, and the amendment

offered by the gentleman from New York [Mr. GRIFFIN] be voted upon afterwards. Is there objection?

Mr. OLIVER of Alabama. I object to that.

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN: On page 24, line 24, after the word "all," strike out "\$9,120,000" and insert in lieu thereof "\$7,199,986."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from New York [Mr. GRIFFIN].

The question was taken; and on a division (demanded by Mr. GRIFFIN) there were ayes 104 and noes 120.

Mr. GRIFFIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. GRIFFIN and Mr. OLIVER of Alabama as tellers.

The committee again divided; and the tellers reported there were ayes 113 and noes 128.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read the next Griffin amendment.

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN: Page 24, line 24, after the word "all," strike out "\$9,120,000" and insert "\$8,440,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GRIFFIN].

The question was taken; and the Chair being in doubt, the committee divided, and there were ayes 114 and noes 108.

Mr. OLIVER of Alabama. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. OLIVER of Alabama and Mr. GRIFFIN.

The committee again divided; and the tellers reported that there were—ayes 129, noes 118.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the first Tinkham amendment.

The Clerk read as follows:

Amendment offered by Mr. TINKHAM: On page 24, line 26, after the period, insert the following proviso: "Provided, That no part of this appropriation shall be used for or in connection with wire tapping to procure evidence of violations of the national prohibition act, as amended and supplemented."

The CHAIRMAN. The question is on the adoption of the amendment.

The question was taken; and, the Chair being in doubt, the committee divided; and there were—ayes 111, noes 103.

Mr. OLIVER of Alabama. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. OLIVER of Alabama and Mr. TINKHAM.

The committee again divided; and the tellers reported that there were—ayes 122, noes 107.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next Tinkham amendment.

The Clerk read as follows:

Amendment offered by Mr. TINKHAM: On page 24, line 26, after the word "supplemented," insert the following proviso: "Provided further, That no part of this appropriation shall be used for the purchase, for use as evidence of violations of the national prohibition act as amended and supplemented, of any intoxicating liquors, the sale of which is prohibited by law."

Mr. DYER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DYER. Is there not a substitute for this amendment?

The CHAIRMAN. The Clerk was about to report the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER as a substitute for the TINKHAM amendment: On page 24, line 26, strike out the period, insert a colon, and add the following proviso: "Provided further, That no funds hereby appropriated shall be used for the purchase of intoxicating liquors, nor to pay informers, nor for the purchase of evidence."

The CHAIRMAN. The question is on the substitute amendment of the gentleman from Georgia to the amendment of the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. OLIVER of Alabama) there were—ayes 132, noes 78.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts as amended by the substitute.

The amendment as amended by the substitute was agreed to.

The CHAIRMAN. The Clerk will report the next TINKHAM amendment.

Mr. OLIVER of Alabama. Mr. Chairman, I think the amendment just adopted covers this amendment.

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent to withdraw the amendment as the amendment just adopted covers it.

The CHAIRMAN. Is there objection?

Mr. LAGUARDIA. Mr. Chairman, a point of order. The amendment was originally read for the information of the House. Then, it should have been offered at this time. The gentleman from Massachusetts says he did not offer it.

Mr. BLANTON. No; it was considered as pending.

The CHAIRMAN. The amendment was to be considered as pending. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 23, line 24, strike out all down to and including line 26 on page 24.

Mr. O'CONNOR. Mr. Chairman, in view of the votes already taken, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. PARKER of Georgia. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. O'CONNOR].

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 74, noes 132.

So the amendment was rejected.

Mr. OLIVER of Alabama. Mr. Chairman, I think under the order of the House, following this comes the item with reference to prison industries working capital fund.

The CHAIRMAN. The Clerk will report the paragraph.

The Clerk read as follows:

Prison industries working capital fund: Prison industries working capital fund, 1933 and prior years, is reappropriated and made available for the fiscal year 1934, including payment of obligations incurred in prior years; and the said working capital fund and all receipts credited thereto may be used as a revolving fund for the fiscal year 1934, for the purposes authorized by the act entitled "An act to provide for the diversification of employment of Federal prisoners for their training and schooling in trades and occupations, and for other purposes," approved May 27, 1930 (U. S. C., Supp. V, title 18, secs. 744d, 744e, 744f).

The CHAIRMAN. For the information of the committee, the Chair will state there is to be debate for one hour on this paragraph, to be equally divided and controlled by the gentleman from Alabama [Mr. OLIVER] and the gentleman from Pennsylvania [Mr. SHREVE].

Mr. COOPER of Ohio. Mr. Chairman, I offer an amendment.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all amendments may be submitted now, because some of them may be subject to a point of order and we would like to make the point of order as they are offered.

The CHAIRMAN. The Clerk will report the amendments for such action as the committee may take.

The Clerk read as follows:

Amendment offered by Mr. COOPER of Ohio: Page 34, line 10, after "744f)" strike out the period, insert a comma and the following: "Provided, That no part of this appropriation shall be used for the procurement and/or installation in any Federal correctional or penal institution of machinery for the manufacture of metal furniture and/or metal office equipment."

Mr. BLANTON. Mr. Chairman, I make the point of order that such a limitation upon the prison industries working



capital fund is legislation unauthorized on an appropriation bill.

Mr. MAPES. Mr. Chairman, I make the point of order that if the amendment is read merely for the information of the committee—

The CHAIRMAN. No; the Chair directed the Clerk to report the amendments for such action as the committee may see fit to take.

Mr. BLANTON. If it is subject to a point of order, there is no use of discussing the amendment. The point of order should be disposed of now, and in the event it is ruled the amendment is not in order, there is no need to have debate on it; otherwise we might be debating something that would not be up for a vote at all.

Mr. MAPES. Then the amendment must be offered for some other purpose than for the information of the committee.

The CHAIRMAN. The Chair has so stated.

Mr. BLANTON. Mr. Chairman, my point of order is that such a limitation upon the prison industries working capital fund appropriation, providing that no portion of that appropriation may be used to operate the specific industry named in the amendment, is subject to a point of order because it is legislation itself upon an appropriation bill that would nullify, in effect, the provision of the act of Congress approved May 27, 1930, because it would take this legislation to stop this particular industry under the present prison industry laws.

The act approved May 27, 1930, authorized and directed the Attorney General to provide employment for all physically fit inmates in the Federal institutions, and made available a revolving fund for this purpose. Any attempt to prevent the Attorney General from diversifying the labor of convicts, as this amendment would do by excepting some specific industry, is legislation, and on an appropriation bill is unauthorized by law.

Moreover, a limitation of this kind would not be germane because there is nothing in the appropriation to indicate that it is made for the operation of any specific industry. There is nothing in the limitation to indicate that it would result in a saving, because no amount is specifically appropriated by the language carried in the annual appropriation bill.

Further, it can not be ascertained by reference to the Budget and other documents that the operation of the prison industries results actually in producing revenue through the earnings accruing from the operation of the various prison industries, which earnings are annually returned to the Treasury and placed to the credit of the working capital fund. It is also apparent, Mr. Chairman, that the limitation would not necessarily result in a saving, because such a restriction would only drive the department head to invest funds available for this purpose in another line of activity. For example, if the limitation stated specifically that none of the funds were to be used for the establishment of any industry, and if the Chair pleases, this amendment mentions the metal furniture industry, then the department head would have the right to turn to other industries, and this amendment would not restrict the department from investing as much or more in the establishment of a factory to manufacture wood furniture as distinguished from metal furniture or to manufacture clothing or engage in some other industry.

Although in the guise of a limitation, I submit this is legislation and seeks to change existing law and is therefore unauthorized on an appropriation bill.

Mr. COOPER of Ohio. Mr. Chairman, the prison industries working capital fund is reappropriated in this bill.

In the act to which the gentleman from Texas just referred, section 6, we find these words:

The prison industries working capital fund shall be administered and disbursed by and under the direction of the Attorney General and shall be available for the purchase, repair, or replacement of industrial machinery or equipment.

The amendment as offered is a limitation to prevent the Director of Federal Prisons from installing in the new Fed-

eral penitentiary at Lewisburg, Pa., high-speed machinery for the purpose of manufacturing metal office furniture and equipment. It seems to me it is purely a limitation on the expenditure.

Mr. Chairman, I have no desire to further discuss the point of order. I would like to yield to my friend, the gentleman from New York [Mr. LaGuardia].

The CHAIRMAN (Mr. OLIVER of New York). The Chair is ready to rule.

The Chair holds this is a negative limitation on money reappropriated in the paragraph and therefore overrules the point of order of the gentleman from Texas [Mr. BLANTON].

Mr. OLIVER of Alabama. Mr. Chairman, under the agreement made in the House, it was understood that the gentleman from Pennsylvania [Mr. SHREVE] would yield one-half of his time and I would yield one-half of my time to those in favor of amendments offered to limit the activities of prison industries as now carried on. Since it appears that all are willing that the gentleman from Ohio [Mr. COOPER] shall have control of the time to be allotted to those who favor any or all amendments that may be offered limiting such activities, unless there is objection I yield the 15 minutes that I have promised to yield to the gentleman from Ohio to control.

Mr. SHREVE. Mr. Chairman, I will yield to the gentleman from Alabama 15 minutes of my time.

Mr. MAPES. I would like to suggest to the gentleman from Alabama that if he would accept the amendment we might save an hour's debate and hurry along the legislation.

Mr. OLIVER of Alabama. I will say to the gentleman that I know his suggestion is made as a pleasantry, because I think this is a very far-reaching amendment and should not be approved by the House.

Mr. MAPES. My thought was that the House was going to accept it.

Mr. COOPER of Ohio. Mr. Chairman, the amendment that I have offered provides that no part of this appropriation shall be used for the procurement or installation in any Federal penal institution of machinery for the manufacture of furniture or office equipment.

When the new Government penitentiary at Lewisburg, Pa., was constructed, there was erected a 3-story factory building, intended for the production of steel office furniture and equipment.

Mr. Sanford Bates, Director of Federal Prisons, recently made the statement:

Unless steel furniture is made at Lewisburg they will have no industry at that prison.

To this statement I, for one, want to protest against the expenditure of public money for the construction and equipment of a prison work shop, suited to no other purpose than the manufacture of steel office furniture.

I believe it is highly important that work be found for the prisoners confined in our penal institutions. However, I doubt if there is any industry that is more highly specialized and consumes less man-hours per unit than that of metal office equipment. More than 80 per cent of the processing of metal office equipment is done by machine, leaving less than 20 per cent for actual man labor, and it seems to me that the selection of steel office equipment as a product of this Federal prison for the avowed purpose of creating the maximum of occupation for the prisoners confined in the Lewisburg prison is economically unsound.

As I have stated, I believe it is important that we find work for those confined in our penal institutions; but in doing so we should at all times select some work that requires the maximum number of man-hours, some which can be produced by hand labor. Steel office equipment is as far removed from this category as any commodity I can think of.

Installation of this machinery would permit the prison to produce the major share of certain office equipment for the Government, namely, the 4-door, legal-size filing cabinet and steel transfer cases, all sizes.

Again, let me say that I strenuously object to this proposal of Mr. Bates to install machinery in our Federal



prisons in order to give the criminal a job, when, by so doing, it will throw law-abiding citizens out of employment.

It is true that our laws prevent the sale of prison-made products except to the Government. At present, however, the Government is the chief customer for metal office equipment.

Mr. Bates, appearing before the Subcommittee on Appropriations, who have charge of the bill we are now considering, stated that unless he could install the machinery for the manufacture of metal office equipment at the Lewisburg Prison the 1,400 inmates would be unemployed. A little later he stated that the industry, if installed, would employ approximately 150 or 200 men. He did not say how the other 1,200 inmates would be employed.

Recently Mr. Bates, in a memorandum which he sent to the Members of Congress relative to the metal-furniture industry to be installed at the Federal penitentiary at Lewisburg, makes a statement which is misleading in many respects. He stated that the value of metal furniture for the past year, as reported by the Department of Commerce, is \$64,722,417. This figure has no relation to steel office furniture, which is the commodity under discussion, and the production of which is an industry entirely separate from that of household and miscellaneous metal furniture, such as beds, kitchen cabinets, and so forth. The Bureau of the Census reports show that total shipments of steel furniture business group in 1931 were \$15,287,486, and for the 11 months of 1932 for which figures are available were \$7,490,393.

Mr. Bates further states that his efforts will be "to eliminate private profits and unfair competition." To eliminate private profit is to eliminate private ability to pay wages or to pay taxes. Is this desirable? When has prison competition with private industry, with its freedom from taxes, capital charges, and overhead, ever been anything except unfair competition?

During this time of economic depression we should not permit our Federal penal institutions to go into competition with legitimate industry and free labor. Thousands of law-abiding citizens are almost starving to-day, yet we to-day are taking the position that we provide work for our criminals in prison, which will take business and labor from private industry. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield four minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, no one is more in favor than I am of keeping the Government out of business, but I do not propose to assume the responsibility of taking away all the work from our prisoners in our penal institutions, especially at this time. We have had some experiences in the last few years with riots at penal institutions. We want no more of that. Prisoners to some extent must be kept at work. A great study has been made in an endeavor to find a way to keep prisoners busy, in diversified industries, so as not to particularly harm any industry. Congress has passed laws along this line. I also have received letters from manufacturers with reference to the duck that is made at the Atlanta Penitentiary. I say to you that the superintendent of prisons has been most fair in the last few years, or since this depression has been with us, about interfering with private business. I know, myself, where he has released to the trade several hundred thousand pairs of shoes that he could have manufactured in the Leavenworth Penitentiary. He realized the situation. Corporations in my city secured some of those contracts, and some of my constituents were employed in factories making shoes that could have been made in Leavenworth, if the superintendent of prisons had not voluntarily permitted the various departments of the Army and Navy to ask for bids.

He will be fair with you if you appeal to him. Remember that it was the Congress that ordered the superintendent of prisons to erect the factories, and it should be the Congress that should enact some laws that will change the present system if it is to be changed. True, people are out of employment, honest people who should be given work if pos-

sible and prior to furnishing work to men who have violated our laws, but recall, if you will, that we now have over 15,000 men in our penitentiaries. It is a man's job to keep order in those institutions. We want no more riots, and if we can only find some way to keep the men busy they will not go crazy. It is a real problem. We must look after our constituents who sent us here; we do not want to interfere with the little work they have, but we all must admit that when you house 5,000 men in a penitentiary constructed to take care of a maximum population of 2,500 you are placing a burden upon the officials in charge of the institutions. I only hope we can find some way to keep these men busy and at the same time not interfere with free labor. Confident that those in charge of the institutions, knowing that Congress wants them to hold down competition with private business just as much as possible, will make every effort to do so until we have found some better way to keep the prisoners busy and out of trouble, I can not join in the movement advanced by the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I have said all I desire to say.

Mr. COOPER of Ohio. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the last speaker, the distinguished gentleman from Missouri [Mr. COCHRAN], states that he is not willing to assume responsibility for supporting this amendment and depriving prisoners in penitentiaries from having employment. So far as I am personally concerned on the floor of this House I am perfectly willing to assume full responsibility of standing for free labor in my district and in your district as against the man who has proven himself an enemy to society and who now wants to be pampered by the superintendent of prisons. There is a city in my district that has developed the metal-furniture industry. I refer to Jamestown, N. Y.

The manufacture of metal furniture is more or less of an infant industry. The Government, through its legislation, has always been very jealous of the rights of an infant industry. Many laws have been enacted to this end. The working men employed in the manufacture of metal furniture have built up fine homes, reared their families, paid their taxes, and looked forward to a happy and prosperous old age. Conditions in Jamestown, N. Y., at this time are perhaps no different from conditions in your cities. Many of these men were deprived of work almost in the twinkling of an eye when the crash came in 1928 and 1929.

They have struggled along to pay their taxes. As the days have gone along some foreclosures have come and depressed them, and many of these men are walking the streets looking for work. They are law-abiding men. There have been no riots, and there has been no disturbance. They have done their full part. They have tried to find work elsewhere, and they want to live. The men in the penitentiaries are housed, clothed, and fed at the present time at the expense of the Government. Now, I know that the average superintendent of prisons is a well-meaning man. I have the highest regard for Mr. Bates, but it is a strange psychology, and perhaps after all it is a natural psychology, that the man who is superintendent of prisons in time comes to have more regard for the prisoners than he has for the rights of the people on the outside. Little by little he forgets who pays the taxes which support the prisoners. They become faddists and want to carry their ideas too far. In ordinary times I would not be standing here objecting quite so strongly, but when I find, from the investigation made by a committee of this House, that the Federal Government is now engaged in manufacturing to the extent of more than 200 different lines of industry, competing with free taxpayers on the outside, I think it is time to call a halt.

What is it proposed to do in this bill? It is proposed not only to give labor to prisoners but it is proposed to give them special machinery by which you add to the numerical manpower of the prisoners and make it possible under the prison



system and under that law to not employ 1,000 men but by special machinery to put under that roof the equivalent of several thousand men to compete with free industry on the outside.

Mr. SWICK. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SWICK. Will this not defeat the very purpose of placing the men at work, especially those men who are confined? Would it not be better to give them work where they would be out in the air, cultivating the soil, or something like that?

Mr. REED of New York. I am heartily in favor of the men having work to do with their hands, but I am opposed to giving them high-speed machinery with which to multiply the numerical manpower of the prisoners and put the products so produced in competition with free labor.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, what does the gentleman from Ohio [Mr. COOPER] propose to have the convicts in penal institutions do to occupy their time? The gentleman must change the law of this country fundamentally if he passes such an amendment, because every time a Federal judge passes sentence on a prisoner, he sentences him to hard labor in a penal institution. How are you going to force convicts to perform hard labor if you do not provide some hard labor for them to do?

Mr. COOPER of Ohio. Will the gentleman yield for me to answer him?

Mr. BLANTON. Just a moment. I only have five minutes.

Mr. COOPER of Ohio. Eighty per cent of this is machinery and not hard labor.

Mr. BLANTON. No labor can be performed without some machinery. What would the gentleman have convicts do? In every penal institution we have a bunch of them farming, raising all kinds of truck stuffs.

Mr. REED of New York. Will the gentleman yield?

Mr. BLANTON. No; I regret that I have not the time.

You did not find the farmers complaining. They are willing for convicts to raise what they need to eat. They are not so selfish that they do not want these men to have something to do, but there must be something else besides farming to keep them busy.

Now we are going to put 1,200 convicts in the new Lewisburg Penitentiary. What are they going to do if they do not have this proposed work that is to be provided? The gentleman from Missouri [Mr. COCHRAN] was slightly mistaken in his figures when the gentleman called the attention of the gentleman from Ohio to what happened in his own State. It was not just 100 men who lost their lives. When that great riot took place in the Ohio Penitentiary at Columbus there were over 300 men killed.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. BLANTON. There were more than 300 men killed in the penitentiary at Columbus, Ohio. And in Joliet, Ill., when there was a riot there in the mess hall they did a million dollars' worth of damage to the Illinois penitentiary. There must be something for them to do. You must keep them busy. You must make them work, as the law says they must, when Federal judges sentence them to terms of penal servitude in our penitentiaries.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. COOPER of Ohio. The gentleman is all wrong on his figures about 300 being killed, and that had nothing to do with labor.

Mr. BLANTON. Well, I got that from the penitentiary authorities myself. If I am wrong, they are wrong. They gave me those figures as the correct, authentic figures, and I would rather take their figures than the figures of the gentleman from Ohio on the number killed, because I am sure the gentleman does not himself know about it.

Mr. COOPER of Ohio. What is Mr. Bates going to do with the other 1,200 up at Lewisburg? He says he is only

going to employ 250 on this metal machinery. The gentleman asked me a question. What is he going to do with the other 1,200?

Mr. BLANTON. It is a hard matter to find work for convicts, simply because of just such fights as we now have on this floor. I want to see him find something for them to do and put them to work. I want to see the convicts who violate the law when they go to the Federal penitentiary not pampered and treated like they ought to have the distinguished-service cross and have the leading machine papers of the country play them up on the front page every day in big headlines as though they had done something remarkable by going to the penitentiary.

I want to see them punished, and the only way to punish them is to make them work. The only time that Al Capone ever did a hard day's work in his life was since he has been in the Atlanta Penitentiary.

Mr. DE PRIEST. Will the gentleman yield?

Mr. BLANTON. No. I can not yield. I regret I have not the time.

When the Hearst string of newspapers the other day had a front-page article asserting that Al Capone was being treated like a king at Atlanta, and that he was spending his time on the tennis courts, my friend, the gentleman from Alabama [Mr. OLIVER], put a statement in the RECORD here from the penitentiary warden day before yesterday, showing that there was not a word of truth in it; that Al Capone did not wear special shoes; that he did not wear special clothing; that he did not enjoy special privileges; that he worked just like other convicts, and not a Hearst paper that I have seen has given very much mention of that correction.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOPER of Ohio. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LA GUARDIA].

Mr. LA GUARDIA. Mr. Chairman, the wording of the amendment offered by the gentleman from Ohio will be to do the very thing the gentleman from Texas says he wants done in the penitentiaries. There is no criticism of Mr. Bates in this discussion. We all agree he is an excellent official. He has his job, and that is, for one thing, looking after the penitentiaries and the inmates. We have our duties. We must look at this proposition from every angle. It is not a question of criticizing Mr. Bates. I have always defended him, and now express the hope that his services will be retained by the next administration. Naturally, he wants to get the best conditions he possibly can; but the gentleman from Texas points out, and properly so, that these men are sentenced to hard labor. I agree with him. There is no hard labor when you take a small piece of metal, put it under a steam or hydraulic press, turn a valve, and the machine does the work.

Of course, we want to keep these men employed; but if there is any place in the world where there should not be any labor-saving machines, it is in a penitentiary. If there is one thing they have plenty of there, it is time and labor. Why the machines?

The gentleman from Texas asked what they would do for work.

Mr. BLANTON. Where, where?

Mr. LA GUARDIA. Give me a chance and I will state. If Mr. Bates wants the prisoners to make metal furniture, let him go out and buy the metal sheets, give the convicts a hand drill; let them make their holes by hand; let them rivet the pieces by hand; take away the pneumatic riveting machines; let them rivet them with muscle power; then let them piece the furniture by hand. That will keep them busy. That, indeed, would be better training and real hard labor.

Mr. Chairman, Mr. Bates is perfectly frank about this. He not only wants to keep his men busy but he admits he wants, by the use of this labor-saving machinery for the production of metal furniture, to make high-grade furniture in order to compete with free labor and sell this furniture to the Government buildings. I submit, Mr. Chairman, that even in times of prosperity, even if we did not have a single



unemployed worker in the country, I still would protest against the competition of convict labor with free labor, even though the products of convict labor were sold to the Government. Why, gentlemen, free labor is looking for work in order to get food for themselves and families—convicts are sure of three square meals a day.

Why, Mr. Chairman, this has nothing to do with Government operation. Let us not confuse the issue. This has nothing to do with the Government in business. This has to do with the competition of convict labor with free labor.

While we admit the necessity, under the modern system of treating criminals, to keep them occupied, they can not be kept occupied by the installation of high-pressure, labor-saving machinery. You must keep them occupied with hand work, even though it is tedious; you have got to keep them at work all of the time. The object is to keep the prisoners occupied—not the quality, and certainly not the quantity, of the product.

I want to point out to some of my friends that nobody is shocked because it is now attempted to appropriate for machinery for the occupation of convicts, yet when we come to appropriation for the Board of Vocational Training funds to assist free law-abiding men and women who have been handicapped by reason of misfortune, then we hear the cry of paternalism; then we hear the cry of economy; then we witness the attacks to reduce appropriations.

I am not criticizing any official or any system, but I say that in this day and age to come in here and put high-pressure machinery into a Federal penitentiary, thereby reducing the opportunity of giving all of the inmates work and putting this very project in competition with free labor—I say, Mr. Chairman, we should not need even an hour's discussion on that. This limitation ought to be adopted without any opposition.

The gentleman from Ohio and others of this House made a thorough study of penal institutions under the Federal Government. This is nothing new. This has been going on for a long time. The best thing we can do, as the gentleman from Texas says, is to keep the convicts busy at work, but to do that we do not need labor-saving, high-speed producing machines. Whatever we do, we must not permit the products of free labor to be reduced by reason of prison-made goods. [Applause.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield three minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, I have very great admiration for the gentleman from New York, especially for his ability and his sincerity, but this is not the first time I have heard him raise his voice along this line.

In Georgia we use the State convicts on highways and he objects to that. I apprehend that no matter what Mr. Bates might propose to employ these prisoners on, the gentleman from New York [Mr. LaGUARDIA] would object to it, because anything you set a convict doing necessarily puts him to some extent in conflict with free labor.

I find myself in the position where I would like to sympathize with these gentlemen who are proposing these restrictions, but I see that this is only the opening wedge for what will come hereafter. Unfortunately, in some respects, my district contains one of these Federal institutions. Down there to-day is the most publicized prisoner of the Federal Government. What the gentleman from Texas said about his treatment is absolutely true. He does not get any special favors. As a matter of fact it is harder to see him than to see the President of the United States to-day. We have in the Atlanta Penitentiary, Mr. Chairman, a duck mill, and I am well satisfied in my own mind that this amendment is simply the forerunner of an effort from the duck manufacturers of the country to limit the production of the Atlanta mill. We have in that prison to-day over 3,000 prisoners, more than half of whom are unemployed. We have had as many as 3,900.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. COOPER of Ohio. This is a new undertaking; this is the installation of new machinery. They have not got it up there in the penitentiary yet.

Mr. RAMSPECK. I understand that, but the duck manufacturers are already in communication with Members of Congress advocating a limitation of the amount of duck that may be produced in the Atlanta Penitentiary.

I wish to ask you one question before you vote on this matter: Is it not better to let the Attorney General and the superintendent of prisons work this problem out than for Congress to try to legislate to protect a particular industry that may happen to be in some Member's district? This is what is going to be the outcome of this effort.

It seems to me, Mr. Chairman, that we should look at this matter from a broad viewpoint. I would like to help relieve the duck manufacturers, but what are we to do with our prisoners? Shall we maintain them in idleness at the expense of the taxpayers of America?

My opinion is that as long as the products of these industries produced in our prisons are used only by the Federal Government, and are not sold to the public in competition with free labor, it is the best policy to utilize their labor to keep them employed. To do otherwise will entail a greater burden upon the taxpayer who is now loaded beyond capacity to pay.

I have talked with the leaders of labor in my district about this problem and they agree with the view I have expressed above.

If we place the proposed restriction upon this appropriation, should we not in all fairness place a similar restriction in favor of all other industries affected by the products of our prisons?

The logical conclusion is that eventually we would have several thousand prisoners kept in idleness, well fed, clothed, given the best possible medical attention, at a cost of several millions of dollars to the taxpayers. They would produce nothing. I can not concur in such a policy.

At the Atlanta Prison there is a farm which in recent years has been improved with fine buildings, with steam tables in the kitchen, with all modern conveniences. The men are so plentiful that each does very little labor. The farmers living adjacent to this farm are complaining that these prisoners live in better circumstances and work less than do such farmers.

There is one other point I wish to bring out. The prisoners who work in our prison industries are paid a small compensation. This money can be sent home to their dependents or it may be held until they are released and then paid to them. This helps rehabilitate the prisoner or it helps prevent their dependents having to rely upon charity.

Here in the House we can not escape the interests of the districts we represent. It therefore seems to me that we should leave this matter to the Attorney General and the superintendent of prisons to work out so as to compete as little as possible with our manufacturing plants on the outside. We must have a general policy and I can not escape the conclusion that it is not fair to the people to maintain these prisoners in idleness. Their labor should be utilized to reduce the cost of government.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, the adoption of this amendment will express the opinion of the House whether the membership wishes convict labor to be employed in highly mechanized industry or whether they should be occupied as the State penitentiaries in every instance employs their prison labor where work is the major factor in the production of such industry. I challenge the committee or anyone here to cite an instance among all the State penal institutions where they are employing their labor in mechanized industry. In Michigan they are employing them in the manufacture of cement. In my State they are employing them in the manufacture of sisal, and in the local penal institutions they are employed in the manufacture of chairs and the like. This has been the endeavor ever since this question has been a problem before the Congress. The distinguished adviser of the President elect, Mr. Swager Sher-



ley—and there was never a more brilliant man who occupied a seat in this House—recommended as a primal policy for this Congress to follow that prison labor should be occupied in industry where labor was the principal factor. Now we are expressing the opinion of Congress in this instance that it is ill-advised to have convict labor engage in an industry where machinery represents 50 per cent of the production. This line goes nowhere in training for a vocation.

No claim is made here that there is any monopoly whatsoever in private manufacture. If I had known that this act that was passed by the last Congress surrendered the absolute determination of this matter to a bureau officer with respect to the way in which he should employ the revolving fund, I would have strenuously opposed it. It is altogether too absolute a power to give to any bureaucrat, no matter how well-intentioned he may be, to have him determine a policy against the declared purpose of Congress heretofore expressed that convict labor should be utilized in those industries where labor is the principal factor.

Why, presently they will be engaged in the manufacture of automobile chassis. A great manufacturing institution in Milwaukee, the A. O. Smith Co., manufactures more chassis than any other concern in the country. They manufacture most of those required by the General Motors Corporation. They just put a piece of steel at one end of the machine and it comes out a completed chassis. I suppose Mr. Bates may wish to have this kind of manufacture for our convict labor.

There are many other ways in which this labor can be occupied. By this amendment we are checking the investment of Government funds before they have purchased any machinery for this purpose. I want this to be a test here and now of the policy of Congress as to whether we approve Mr. Bates's policy of going into mechanized industry for the employment of our convict labor.

Mr. Chairman, I yield back the balance of my time.

Mr. COOPER of Ohio. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Chairman, the deduction to be made from the speeches of the gentlemen from Texas and Missouri is that if the millions of unemployed who are not in penal institutions wish to receive consideration, they should begin rioting. We are told that the only way to prevent rioting in prisons is to give the prisoners work. I disagree with those who say there is no criticism of the conduct of the business activities at these institutions. The Director of the Bureau of Prisons is a penologist who has gone mad on the subject of furnishing employment to those in prison at the expense of those on the outside who have committed no offense, and who must feed, clothe, and care for themselves.

I know of no better way of presenting the situation than to quote from the testimony of a representative of a large shoe-manufacturing concern of Boston, who testified before our special committee. He said:

There is no doubt but that public sentiment favors the furnishing of some form of employment for inmates of penitentiaries. However, at this time, after some three years of acute depression, which may be in the future more or less protracted, most thinking Americans are more interested in providing employment to those outside of prisons who are striving to earn a livelihood than they are in providing employment to convicts. In fact, the policy of providing employment to Federal convicts while outside labor was allowed to remain idle has been the subject of severe and widespread criticism in the various shoe-manufacturing centers of our country.

He testified further:

If the idea is to provide labor to the maximum number of prisoners, then the installation of labor-saving machinery, wherever possible, is productive of the opposite result. For instance, the installation of machinery to cut upper leather has reduced greatly the number of prisoners required to perform this work.

At the instance of railroad men who were either unemployed or employed only part time, I inquired of the Director of the Bureau of Prisons as to his authority for operating a Government bus line for the conveyance of prisoners in competition with private transportation com-

panies. His reply was that Congress granted him that authority. And that is exactly what he will say again—that Congress gave him the right to proceed in this instance.

The Director of the Bureau of Prisons assured a member of our special committee, the gentleman from Pennsylvania [Mr. RICH], that he would not install this high-speed, labor-saving machinery in the new penal institution at Lewisburg to compete with private enterprise; but we are now informed that the director is preparing to do that very thing, and once the machinery is installed you will have a devil of a time getting it out.

The textile manufacturers have received a terrific blow through prison-labor competition. One textile man, from the State of Maryland, who testified before our special committee, said that his family had been engaged in the textile industry for 130 years, but that the practice of Mr. Sanford Bates in installing and operating cotton-weaving plants in Federal prisons would soon put his company out of existence.

This question is a most serious one. Shall this House, by its vote, say to this prison-labor enthusiast that it approves of and indorses his practices, which are so destructive of private business, and which deprives free labor of its legitimate employment?

Mr. BLANTON. Will the gentleman yield for a question?

Mr. SHANNON. Yes.

Mr. BLANTON. Every Member that I know of here who has known Mr. Bates for any length of time, or who is well acquainted with his work, has nothing but encomium to offer.

Mr. SHANNON. I differ with the gentleman. I have met him officially and I have discussed with him the question you are passing on to-day.

Mr. DYER. Will the gentleman yield?

Mr. SHANNON. Yes.

Mr. DYER. I think my colleague must admit that Mr. Bates has authority from Congress to do these things. We have put the discretion in the Attorney General, and Mr. Bates is acting accordingly in this matter. If Congress sees fit to limit this authority or to specify what can not be done, then there are orders that Mr. Bates will take; but I do not think there is any just cause for criticizing Mr. Bates about what he has done.

Mr. SHANNON. The gentleman blames Congress, then?

Mr. REED of New York. Will the gentleman yield?

Mr. SHANNON. I yield.

Mr. REED of New York. Is it not a fact that many of the civilized countries to-day are deeply concerned about the importation of Russian conscript-labor goods and that they are raising their eyes in holy horror at such injustice, and yet we are proposing to follow the Russian system in this respect?

Mr. SHANNON. Yes.

[Here the gavel fell.]

Mr. COOPER of Ohio. Mr. Chairman, I yield two minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, as has been pointed out during the debate, the adoption of the amendment offered by the gentleman from Ohio [Mr. COOPER] does not mean that the inmates of prisons are not going to be provided with work. There are a good many other things to do besides making metal furniture. The truth is that the same amount of money spent in almost any other way would furnish inmates of our prisons with more real work than this appropriation, a large part of which the Superintendent of Prisons will use to buy machinery to engage in a highly mechanized industry requiring little actual handwork.

I want to call attention to this fact: Those of us who come from the furniture centers know that the depression has hit those centers as hard, if not harder, than any other. The furniture factories the country over are closed, and people who ordinarily find employment in them are out of employment. It is proposed by this legislation to add to this unemployment of free labor in the furniture centers under the guise of providing something to do for convict labor, when as a matter of fact the convicts could be pro-



vided with something else to do to the advantage of everyone. The metal industry has not yet been established in this prison and we had better stop it before it gets a start. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. COOPER], which the Clerk will again report.

The Clerk again reported the amendment offered by Mr. COOPER of Ohio.

The question was taken; and on a division (demanded by Mr. BLANTON) there were ayes 84 and noes 43.

Mr. OLIVER of Alabama. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. COOPER of Ohio and Mr. OLIVER of Alabama to act as tellers.

The committee again divided; and the tellers reported there were ayes 99 and noes 36.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read the paragraph on page 29 which was passed over yesterday at the request of the gentleman from Alabama.

The Clerk read as follows:

Page 29, line 12: Salaries and expenses, clerks of courts: For salaries of clerks of United States circuit courts of appeals and United States district courts, their deputies, and other assistants, travel expenses pursuant to the subsistence expense act of 1926, as amended (U. S. C., Supp. VI, title 5, secs. 821-833), and other expenses of conducting their respective offices, \$1,856,580.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that this paragraph be passed over without prejudice so that we may return to it later for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Clerk will read the next paragraph passed over.

The Clerk read as follows:

Page 35, line 8: United States penitentiary, Atlanta, Ga.: For the United States penitentiary at Atlanta, Ga., including not to exceed \$356,350 for salaries and wages of all officers and employees, \$920,000.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: On page 35, line 10, strike out "\$356,350" and insert in lieu thereof "\$376,350."

Mr. RAMSPECK. Mr. Chairman, this amendment does not increase the total appropriation.

Mr. OLIVER of Alabama. Mr. Chairman, to save time, the committee is entirely agreeable to the amendment and accepts it.

The CHAIRMAN. The question is on the amendment of the gentleman from Georgia.

The amendment was agreed to.

Mr. RAMSPECK. Mr. Chairman, I am grateful to the gentleman from Alabama [Mr. OLIVER] for accepting the amendment. It adds nothing to the total appropriation for the Atlanta Penitentiary, but it does permit the using of an additional \$20,000 for salaries.

The guards at this institution are now working seven days each week. This must be stopped. With 12,000,000 persons out of employment, it is almost unbelievable that any Government employee should be required to work every day, having no rest at all. It is particularly hard in such an occupation, for a penitentiary guard works under tension at all times.

Last year the Atlanta prison failed to use all of its appropriation; but under the language of the bill none of this money could be used for additional guards. If some savings can be effected this year in other items, this amendment will permit the Bureau of Prisons to employ additional guards so as to give these men one day of rest in seven. That is the object and purpose I have in presenting the matter, and I trust that the result sought will be achieved.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent, in order that the prison at Leavenworth be given like treatment, that later this evening or to-morrow morning I be permitted to return to the paragraph for the purpose of offering the same amendment. The amendment would not increase the appropriation, but increases the allowance by \$30,000, which would make it the same as Atlanta, which was increased \$20,000.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

General expenses: For supplies, including replacement of and necessary additions to existing equipment, repairs, maintenance, and incidental expenses of lighthouses and other lights, beacons, buoyage, fog signals, lighting of rivers heretofore authorized to be lighted, light vessels, other aids to navigation, and lighthouse tenders, including the establishment, repair, and improvement of beacons and day marks, and purchase of land for same; establishment of post lights, buoys, submarine signals, and fog signals; establishment of oil or carbide houses, not to exceed \$10,000: *Provided*, That any oil or carbide house erected hereunder shall not exceed \$1,000 in cost; construction of necessary outbuildings at a cost not exceeding \$1,000 at any one light station in any fiscal year; improvement of grounds and buildings connected with light stations and depots; restoring light stations and depots and buildings connected therewith: *Provided further*, That such restoration shall be limited to the original purpose of the structures; wages of persons attending post lights; temporary employees and field force while engaged on works of general repair and maintenance, and laborers and mechanics at lighthouse depots; rations and provisions or commutation thereof for working parties in the field, officers and crews of light vessels and tenders, and officials and other authorized persons of the Lighthouse Service on duty on board of such tenders or vessels, and money accruing from commutation for rations and provisions for the above-named persons on board of tenders and light vessels or in working parties in the field may be paid on proper vouchers to the person having charge of the mess of such vessel or party; not exceeding \$2,000 for packing, crating, and transporting personal household effects of employees when transferred from one official station to another for permanent duty; purchase of rubber boots, oilskins, rubber gloves, and coats, caps, and aprons for stewards' departments on vessels; reimbursement under rules prescribed by the Secretary of Commerce of keepers of light stations and masters of light vessels and of lighthouse tenders for rations and provisions and clothing furnished shipwrecked persons who may be temporarily provided for by them, not exceeding in all \$5,000 in any fiscal year; fuel, light, and rent of quarters where necessary for keepers of lighthouses; purchase of land sites for fog signals; rent of necessary ground for all such lights and beacons as are for temporary use or to mark changeable channels and which in consequence can not be made permanent; rent of offices, depots, and wharves; traveling expenses, including travel for the examinations authorized by the act entitled "An act to provide for retirement for disability in the Lighthouse Service," approved March 4, 1925 (U. S. C., title 33, sec. 765); mileage; library books for light stations and vessels, and technical books and periodicals not exceeding \$1,000; traveling expenses of teachers while actually employed by States or private persons to instruct the children of keepers of lighthouses; all other contingent expenses of district offices and depots, including the purchase of provisions for sale to lighthouse keepers at isolated stations, and the appropriation reimbursed, purchase not to exceed \$3,600, exchange, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles for official use in field work; payment of rewards for the apprehension and conviction, or for information helpful to the apprehension and conviction of persons found interfering with aids to navigation maintained by the Lighthouse Service, in violation of section 6 of the act of May 14, 1908 (U. S. C., title 33, sec. 761), and not exceeding \$8,500 for contingent expenses of the office of the Bureau of Lighthouses, in the District of Columbia; \$4,009,000.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word.

I wish to ask the chairman of the committee if the amount carried in this bill for the Lighthouse Service is adequate to maintain the lights and aids to navigation essential for commerce.

Mr. OLIVER of Alabama. That is a difficult question for me to answer other than in this way: Our committee went into this very fully and felt we were quite liberal in granting appropriations for this important service. We took only a small amount off of the Budget estimates. In addition to that, the gentleman will recall that this is one of the bureaus of the Department of Commerce which had \$3,800,000 given them by the emergency bill. That is a continuing fund and they have only a little more than half of this



amount allocated. That is for carrying on the very purpose the gentleman has in mind.

Mr. BRIGGS. What is the occasion for the difference between the estimates and the amount allowed by the committee in the bill?

Mr. OLIVER of Alabama. I think the gentleman will find that the amount they had as a continuing fund, plus the amount that had been recommended, was more than we felt was required. We have provided for the pay roll and for maintenance.

One item reduced was an amount which the head of this bureau felt might not be required, namely, \$20,000 for installing lights on the Missouri.

Mr. BRIGGS. These reductions made from the estimates are not such as will preclude the maintenance of the lights and the aids to navigation which exist now under the Department of Commerce through the Lighthouse Service?

Mr. OLIVER of Alabama. In the judgment of the committee, they will not. This is probably the most liberal appropriation granted any bureau in the Department of Commerce.

Mr. BRIGGS. And the appropriation provided, in the opinion of the committee, is sufficient to maintain this service?

Mr. OLIVER of Alabama. We would not have so recommended had we not thought so.

Mr. BRIGGS. I did not want it to be such an undue economy as to endanger the lives of seamen and passengers. [Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

The report shows a rather drastic cut of four and a half millions of dollars under the appropriation of last year. As the gentleman has explained, a million or two of that amount is accountable—

Mr. OLIVER of Alabama. Not a million or two, but \$3,800,000 of it.

Mr. STAFFORD. Three million eight hundred thousand dollars is accountable for appropriations carried in the emergency act.

Mr. OLIVER of Alabama. And, further, the gentleman will find that the appropriation carried last year was reduced and impounded to the amount of 8½ per cent. This year when the Budget prepared its estimates it took from all estimates the 8½ per cent. So that nothing will be taken in 1934 from this appropriation and impounded. There was taken from the 1933 appropriation, however, 8½ per cent and paid into the Treasury.

Mr. STAFFORD. I notice there has been a rather drastic reduction in the salaries of the keepers of lighthouses recommended by the budgetary officer, \$321,000, to which the committee added \$20,000 further reduction. So also with the salaries connected with the keepers of lighthouse vessels, \$148,000.

Are these figures all within the 8½ per cent reduction that the Congress prescribed?

Mr. OLIVER of Alabama. The 8½ per cent was taken out of last year's appropriation, as explained; and when you take out the \$3,800,000 carried in the emergency act, you will find the bureau has available for expenditure about the same amount they had last year, less the cut indicated by the gentleman from Texas [Mr. Briggs] who asked me a question a few minutes ago.

I may also say to the gentleman that they have been improving navigation aids by installing automatic aids and dispensing with some maintenance expense, involving some reduction of the bureau personnel.

Mr. STAFFORD. Including the installation of acetylene buoys, I presume?

Mr. OLIVER of Alabama. Yes.

The Clerk read as follows:

Pay, commissioned officers: For pay and allowances prescribed by law for commissioned officers on sea duty and other duty, holding relative rank with officers of the Navy, including 1 director with relative rank of captain, 6 hydrographic and geodetic engineers with relative rank of captain, 10 hydrographic and geodetic engineers with relative rank of commander, 17 hydrographic and

geodetic engineers with relative rank of lieutenant commander, 47 hydrographic and geodetic engineers with relative rank of lieutenant, 61 junior hydrographic and geodetic engineers with relative rank of lieutenant (junior grade), 29 aides with relative rank of ensign, and including officers retired in accordance with existing law, \$633,955: *Provided*, That the Secretary of Commerce may designate one of the hydrographic and geodetic engineers to act as assistant director.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I have never looked with very much favor, since I entered Congress, upon this Hydrographic Service. I notice that the committee did not reduce the Budget estimate for the salaries in this service. This is one of the services that was recommended for merger under the President's plan. I would like to know why the committee did not see fit to make a reduction under the Budget estimate in this identic item.

Mr. OLIVER of Alabama. I may say that this happens to be one of the bureaus for which the emergency bill carried \$1,250,000, which has kept the regular force very busy here in Washington handling the field reports. This emergency money, as the gentleman knows, is largely expended in the field. The data are sent here, which puts on the regular force the burden to examine, compile, and analyze the information thus obtained. This will continue; and while the committee did make some reductions, yet this is one reason why we felt we could not safely make further reductions. Congress had directed that certain additional work be done, and the regular officers and employees were required to direct, supervise, examine, and analyze the work and information thus made available.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Appropriations herein made for the field expenses of the Coast and Geodetic Survey shall be available for expenditures in the application of the airplane to the field work of the Coast and Geodetic Survey, and not to exceed a total of \$25,000 of said appropriations shall be available for the purchase or construction of cameras and other photographic apparatus, for equipment, except airplanes, and for employment of personnel in the field and office in connection with such work.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I notice in the report, and have it marked on the bill, that the committee places a limitation on the appropriation with respect to the amount that may be expended for certain equipment, including cameras and photographic supplies, other than airplanes. What is the purpose of this limitation?

Mr. OLIVER of Alabama. They are using airplanes in this survey, and the committee felt, with the approval of the director, that this would be a proper limitation to place on the amount to be expended for such purpose.

The pro forma amendment was withdrawn.

The Clerk read to and including line 4 on page 81 of the bill.

Mr. OLIVER of Alabama. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLIVER of New York, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14363 and had come to no resolution thereon.

#### DESIGNATION OF SPEAKER PRO TEMPORE FOR THE EVENING SESSION

The SPEAKER. The Chair appoints the gentleman from Illinois [Mr. RAINY] to preside at the evening session.

#### ORDER OF BUSINESS

Mr. WOODRUM. Mr. Speaker, it is obvious that the best part of the day to-morrow will be taken up in the completion of the bill under consideration. I have had many inquiries as to when we would consider the independent offices appropriation bill. I am wondering if it can not be understood that it will be taken up on next Tuesday morning?

Mr. RAINEY. I think that will be the understanding. We have 15 more pages of the pending bill to consider, and there will be several roll calls, and Monday will be occupied by unanimous consents and suspensions of the rules.

Mr. SNELL. Then it is understood there will be no business to-morrow except in connection with this bill?

Mr. RAINEY. Yes.

Mr. LaGUARDIA. Mr. Speaker, I would like to ask a question. I am wondering if there can not be some understanding that if separate votes are asked for on amendments to the pending bill adopted to-day they can not go over and be considered on Tuesday morning?

Mr. OLIVER of Alabama. In view of the fact that we are approaching so rapidly the end of the session, and that there are several important appropriation bills remaining undisposed of, and that there will be some important legislation in addition to that considered next week, I think it would be a mistake to let the votes go over.

Mr. RAINEY. I think they ought to be considered to-morrow and get through with the bill.

Mr. LaGUARDIA. Very well.

#### SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S. J. Res. 239. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President elect in March, 1933, and for other purposes; and

S. J. Res. 240. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

#### RECESS

Mr. RAINEY. Mr. Speaker, I move that the House take a recess until 8 o'clock this evening.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.) the House stood in recess until 8 o'clock p. m.

#### EVENING SESSION

The recess having expired, the House was called to order at 8 o'clock p. m. by the Speaker pro tempore, Mr. RAINEY.

The SPEAKER pro tempore. The House is in session until 10.30 o'clock p. m. for the purpose of considering bills on the Private Calendar unobjected to in the House as in the Committee of the Whole House on the state of the Union. The Clerk will report the first bill, beginning at No. 536 on the calendar.

#### WILLIAM JOSEPH VIGNEAULT

The first business on the Private Calendar was the bill (H. R. 792) for the relief of William Joseph Vigneault.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged sailors William Joseph Vigneault, late of the United States Navy, shall be held and considered to have been honorably discharged from the naval service of the United States as seaman, first class, on December 11, 1918.

With the following committee amendments:

Line 6, strike out the word "honorably," and in line 7, after the word "discharged," insert the words "under honorable conditions," and in line 9, after the figures "1918," insert a colon and the words "Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### PETER E. ANDERSON

The next business on the Private Calendar was the bill (H. R. 1177) for the relief of Peter E. Anderson.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I reserve the right to object. This bill ought to have an amendment to it to make it conform to the regular form. If the sponsor of the

bill will agree to the amendment showing the date from which the pension shall run, I have no objection.

Mr. PALMISANO. Mr. Speaker, the proponent of this bill was our late colleague, Mr. Linthicum. I know nothing about the bill except that I saw this afternoon that it is on the calendar.

Mr. EATON of Colorado. The gentleman should have no objection to the amendment.

Mr. PALMISANO. I have no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Peter E. Anderson, who was a member of U. S. S. *Vermont*, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendments:

Line 7, strike out the word "honorably," and after the word "discharged" insert the words "under honorable conditions."

Mr. EATON of Colorado. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Line 8, after the word "States," insert "as a member of that organization on August 25, 1898."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### SYDNEY THAYER, JR.

The next business on the Private Calendar was the bill (H. R. 1936) for the relief of Sydney Thayer, jr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That Sydney Thayer, jr., who served as an officer of the Marine Corps of the United States during the World War, shall be deemed and considered to be entitled to the benefits and privileges of the emergency officers' retirement act, Public No. 506, Seventieth Congress, notwithstanding the time limit for applicants for the benefits thereunder has expired: *Provided*, That such disability rating is sufficient and said Sydney Thayer, jr., is otherwise eligible for retirement under the terms and conditions of said act: *Provided further*, That said Sydney Thayer, jr., shall not be entitled to any back pay or allowances by the passage of this act, except as provided by said emergency officers' retirement act.

With the following committee amendment:

Page 2, line 2, after the word "further," strike out "That said Sydney Thayer, jr., shall not be entitled to any back pay or allowances by the passage of this act, except as provided by said emergency officers' retirement act"; and insert "That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### WALTER SAM YOUNG

The next business on the Private Calendar was the bill (H. R. 2907) for the relief of Walter Sam Young.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. LAMNECK. Mr. Speaker, will the gentleman withhold his objection?

Mr. EATON of Colorado. Yes.

Mr. LAMNECK. I am interested in this bill. This boy served over three years in the Navy. He had two charges filed against him. One was for shooting craps and the other was for being absent without leave. In the testimony of the Navy representative assigned to the committee he said:

I have no information here, but at that time the commanding officer had authority to discharge not more than 2 per cent per quarter, per annum, as undesirable if they had records that showed them not to be material good for the Navy.



I contend that this man did nothing that should subject him to a dishonorable discharge. He shot craps once and then was absent without leave once.

Mr. EATON of Colorado. Does the gentleman from Ohio know this man?

Mr. LAMNECK. Yes; and he is working in Columbus and is a good respectable citizen.

Mr. EATON of Colorado. Mr. Speaker, on the recommendation of the gentleman from Ohio, I withdraw the objection.

Mr. LAMNECK. I thank the gentleman.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Walter Sam Young, late of the United States Navy, shall hereafter be held and considered to have been discharged honorably from the naval service of the United States as a member of that organization on the 16th day of July, 1920: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Line 7, strike out the word "honorably" and insert "under honorable conditions."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE BRACKETT CARGILL

The Clerk called the next bill, H. R. 5548, for the relief of George Brackett Cargill, deceased.

There being no objection, the Clerk read as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy, their widows, children, and dependent relatives, George Brackett Cargill, deceased, shall be held and considered to have been honorably discharged as a seaman, second class, United States Navy, on July 22, 1918: *Provided,* That no pay or bounty shall be held to have accrued prior to the date of this act.

SEC. 2. The Secretary of the Navy is authorized and directed to issue to Addie Cargill, mother of George Brackett Cargill, deceased, a discharge certificate showing that he is held and considered to have been honorably discharged as of such date.

With the following committee amendments:

Page 1, line 5, after the word "Navy," strike out "their widows, children, and dependent relatives"; page 1, line 7, strike out the word "honorably" and, after the word "discharged," insert the words "under honorable conditions"; in line 9, after the word "no," strike out the words "pay or bounty" and insert in lieu thereof "bounty, back pay, pension, or allowance"; page 2, strike out all of section 2.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time; was read the third time, and passed.

A motion to reconsider was laid on the table.

WILLIAM JOSEPH LACARTE

The Clerk called the next bill, H. R. 6409, for the relief of William Joseph LaCarte.

There being no objection, the Clerk read as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Joseph LaCarte, who was a member of the United States Naval Auxiliary Service and United States Naval Reserve Force, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of that organization on the 18th day of April, 1917: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Page 1, line 8, strike out the word "honorably," and after the word "discharged" insert "under honorable conditions."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FELIX MAUPIN

The Clerk called the next bill, H. R. 7263, for the relief of Felix Maupin.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. BARTON. Will the gentleman reserve his objection?

Mr. EATON of Colorado. I will reserve the objection for the gentleman to make an explanation.

Mr. BARTON. Mr. Speaker, I desire to make a statement about this. This is a man who served in the Navy about nine years. He enlisted in 1913 and during his first 4-year enlistment he had but one charge against him, a petty offense; that is, the charge was that he attempted to smuggle some liquor onto the boat. At the end of the 4-year period he was honorably discharged. Then he reenlisted and served through the war, without a single mark against him.

Mr. BLANTON. Will the gentleman yield?

Mr. BARTON. I yield.

Mr. BLANTON. That is not quite the report from the Navy Department. The Navy Department says that in addition to the charge about the liquor there were three charges against him for being absent without leave, and for those charges he was fined \$191.

Mr. BARTON. I will come to that presently.

Mr. BLANTON. The Navy Department recommends against the passage of this bill. I just wanted those facts before the House.

Mr. BARTON. Exactly so. He served his first 4-year term with a single charge, which I have mentioned, and then he reenlisted.

Mr. MILLIGAN. Will the gentleman yield?

Mr. BARTON. I yield.

Mr. MILLIGAN. He was honorably discharged and then allowed to reenlist?

Mr. BARTON. Yes, sir.

Mr. BARTON. After the liquor charge he was permitted to reenlist. Then, on his second enlistment he served throughout the war and until some time in 1919. At that time he was entitled to an honorable discharge. As I understand it, he reenlisted, but they claim he changed his reenlistment to a 4-year period from that time. In 1920 he was absent over leave, and according to his explanation he drank something that he ought not have taken, and it had something in it that he did not think it had. At any rate, he was absent three times without leave in nearly three years. The first time was in 1920 and the last time was in 1922. For each of those offenses he was fined, and there was taken from his pay \$191. Then he was put on probation and before the probationary period expired he went ashore on leave and, as he explains, there came up a storm; not exactly a storm but at any rate a high wind, and they pushed off before he expected them to go, and when he came back he could not hire one of the smaller vessels to take him out to the vessel on account of the waves, and he was absent until the next day. For that he was given a dishonorable discharge.

Mr. WOODRUFF. Will the gentleman yield?

Mr. BARTON. I yield.

Mr. WOODRUFF. Will the gentleman tell us how long he was absent without leave?

Mr. BARTON. He was absent less than 48 hours at any time.

Mr. WOODRUFF. Does the gentleman not believe he was punished adequately when he was fined \$191 for being absent less than 48 hours without leave on three different occasions?

Mr. BARTON. I certainly think that is so.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BARTON. I yield.

Mr. COCHRAN of Missouri. The report shows that this man served in the war from start to finish. Forty-eight hours was the longest he was ever absent from his command.

Mr. KNUTSON. How many times was he absent?

Mr. COCHRAN of Missouri. Three times. The Secretary of the Navy, in his report, which shows how far they will

go in cases of this character, says that in 1922 the United States was technically in a state of war.

Mr. WOODRUFF. With whom?

Mr. COCHRAN of Missouri. The United States was technically in a state of war. Are we not going to give some consideration to him who served in the war from start to finish? Some Members are absent from this House for weeks at a time and they were never fined \$191. [Laughter.]

Mr. EATON of Colorado. It appears by this record that this man's superior officer time after time forgave him for willful violations. At the end they gave him a six months' probationary period, and during that probationary period he could not conform to whatever rules and regulations were deemed to be necessary. Of all the cases that are here tonight, no man had more consideration by his superior officers than the man covered by this bill. There is another statement in connection with it, notwithstanding the mention that this occurred during the time when we were "technically" at war.

A portion of these offenses occurred during the time when we were actually at war. The offenses go back to July, 1919.

Mr. BARTON. No; I do not think so.

Mr. STAFFORD. That was after the armistice.

Mr. EATON of Colorado. He enlisted June 1, 1917.

Mr. BARTON. He reenlisted then.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. STAFFORD. I believe the report shows that he was in service during the entire period of the war. He enlisted on the day following June 11, 1917, when he was honorably discharged. We were right at the beginning of the war. On July 26, 1919, Maupin changed his 4-year enlistment to a duration of the war enlistment. We were then out of the war, really.

I do not see any real serious offense that occurred during the war period.

We have been very jealous of granting relief to those who were guilty of serious offenses during the actual war period, but this soldier, apparently, from just a reading of the letter of the Secretary of the Navy, was doing service during the entire period of hostilities.

Mr. EATON of Colorado. Mr. Speaker, I will withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Felix Maupin, who was a machinist's mate, first class, United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a machinist's mate, first class, on the 23d day of August, 1922: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Line 7, strike out the word "honorably" and, after the word "discharged," insert "under honorable conditions."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RUTH M'CARN

The Clerk called the next bill, H. R. 7548, granting six months' pay to Ruth McCarn.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sum as may be necessary to pay to Ruth McCarn, dependent mother of the late John Bush Watson, seaman, United States Navy, an amount equal to six months' pay at the rate said John Bush Watson was receiving at the date of his death.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GEORGE OCCHIONERO

The Clerk called the next bill, H. R. 9231, for the relief of George Occhionero.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I object.

Mr. KNUTSON. Mr. Speaker, will the gentleman withhold his objection?

Mr. STAFFORD. Yes.

Mr. KNUTSON. Would the gentleman from Pennsylvania like to give us an explanation of this bill?

Mr. COYLE. Yes. I investigated this case very fully and very carefully. If the gentleman from Wisconsin will note—

Mr. STAFFORD. Mr. Speaker, I reserve the objection.

Mr. COYLE. I was under the impression the gentleman had reserved his objection.

Mr. STAFFORD. No. I objected, and then when the gentleman from Minnesota and the gentleman from Pennsylvania appeared on the scene I reserved it.

Mr. COYLE. If the gentleman will note, the department makes a supplemental report in this case.

Mr. STAFFORD. I have not the supplemental report.

Mr. BLACK. Mr. Speaker, I demand the regular order.

Mr. KNUTSON. I hope we will not be taken off our feet like that.

Mr. STAFFORD. If the regular order is demanded, I object, but I believe, knowing—

Mr. BLACK. Mr. Speaker, the reason I demanded the regular order was in order to expedite this calendar. I withdraw it. Members ought to be able to make up their minds whether they object or not.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the gentleman from New York, I think facetiously, certainly unwittingly, demanded the regular order.

Mr. BLACK. I demanded the regular order in the interest of expediting business on the calendar. I think these conscientious objectors ought to make up their minds whether they are objecting, reserving objection, or intentionally making a speech.

Mr. BLANTON. The gentleman from New York will get more business transacted if he will adopt a policy of patience. Impatience will clog up the machinery.

Mr. COYLE. Mr. Speaker, in this particular case the supplemental report from the Navy Department withdraws its objection filed with its original report on this bill. They withdraw the objection because they state in a supplemental report to the committee that they had in the first place thought that there was a provision in the pension laws as they existed to take care of this worthy case. When they found they were mistaken in that fact and that there was no provision under the law without the enactment of this bill they recommended in favor of its passage.

Mr. PATTERSON. Does the gentleman from Pennsylvania have a copy of the supplemental report?

Mr. COYLE. I have a supplemental report in my hand. I will be very glad to read it to the gentleman, or file it.

Mr. PATTERSON. I suggest the gentleman read it.

Mr. COYLE. In the supplemental report, quoting from a letter from the Navy Department, the following statement is made:

It now appears that the unfavorable recommendation of the Navy Department on the bill (H. R. 9231) for the relief of George Occhionero was based upon an erroneous idea that he was entitled to receive a pension under the provisions of the United States Code, title 38, section 229, above referred to. In view of all the circumstances in this case, I now have the honor to inform you that the Navy Department would favorably recommend the enactment of the bill (H. R. 9231) for the relief of this man or a similar bill subsequently introduced for his relief.

This is signed "C. F. Adams, Secretary of the Navy."

Mr. PATTERSON. What is the date of that letter?

Mr. COYLE. January 20, 1933, and is printed in the supplemental report by unanimous consent.

Mr. STAFFORD. What is intended by the statement of the Secretary of the Navy that they would favor some other bill for his relief?



Mr. COYLE. The committee had in the meantime amended the bill that they reported out, putting him on the retired list as a marine gunner instead of a first lieutenant, and I have no doubt that this is what the Secretary had in mind, or else a subsequent bill in case this particular bill failed of passage.

Mr. STAFFORD. Mr. Speaker, I was much influenced in my conclusion that this bill is objectionable by the statement carried in the original report and found in the letter of the Secretary of the Navy that this claimant would be entitled to \$690 a year. The Secretary of the Navy in a supplemental report states this is an error, and I therefore withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the President of the United States be, and he is hereby, authorized to appoint George Occhionero, former first lieutenant, United States Marine Corps, in which grade he served honorably during the World War, now a gunnery sergeant in the United States Marine Corps, and to retire him and place him on the retired list of the United States Marine Corps as a first lieutenant with retired pay of that grade, in accordance with the provisions of existing law for the retirement of officers of the Marine Corps, in case a retiring board should find him incapacitated for active service, and that his incapacity is the result of an incident of service.

With the following committee amendment:

Page 1, line 9, strike out the words "first lieutenant" and insert "marine gunner."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN E. DAVIDSON

The Clerk called the next bill, H. R. 9326, for the relief of John E. Davidson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the pension laws and of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers and sailors, their widows and dependent relatives, John E. Davidson, seaman, second class, United States Navy, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States at St. Elizabeths Hospital, Washington, D. C., on the 16th day of July, 1918: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DAVID SCHWARTZ

The Clerk called the next bill, H. R. 9355, for the relief of David Schwartz.

Mr. EATON of Colorado. Mr. Speaker, I object to the passage of this bill.

Mr. BLOOM. Will the gentleman reserve his objection?

Mr. EATON of Colorado. Mr. Speaker, I reserve the objection if the gentleman wishes to make a statement.

Mr. BLOOM. The report of the Acting Secretary of the Navy speaks for itself. This is the ordinary case that comes in here.

Mr. EATON of Colorado. The report of the Secretary of the Navy is a recommendation against the enactment of this bill.

Mr. BLOOM. No; not this particular bill. The Secretary says this is the usual bill, and ordinarily they have to object to such bills.

Mr. EATON of Colorado. In this case, Mr. Speaker, the veteran applied for and obtained compensation to the extent of several thousand dollars. Upon later examination of the case it was determined that his mental incapacity was not due to his service in the war or connected with the war and the compensation was withdrawn. This applicant asked to have the payment reinstated and continued from that time to the present.

The bill has been amended, however, to prevent any bounty, back pay, or allowance commencing prior to the

passage of the act. Nevertheless, it seems that the recommendation of the Secretary of the Navy ought to be followed unless the gentleman has some facts to indicate that the report is erroneous.

Mr. BLOOM. The report speaks for itself, and I have nothing outside of the matter contained in the report.

Mr. EATON of Colorado. My attention has been directed to the facts that these offenses were committed during the war period and therefore I withdraw my objection.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers David Schwartz, who served in the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of that organization on or about the 30th day of October, 1917: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Line 6, strike out the word "honorably," and after the word "discharged," in line 7, insert "under honorable conditions."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY STANLEY WOOD

The Clerk called the next bill, H. R. 1264, for the relief of Henry Stanley Wood.

Mr. BLANTON. Mr. Speaker, this bill would pay \$7,690.67 out of the Treasury and the Treasury Department has always opposed bills of this character. There are thousands of similar claims barred by the statute of limitations and we ought not to pay out this \$7,690.67, and I therefore object.

PETE JELOVAC

The Clerk called the next bill, H. R. 1767, for the relief of Pete Jelovac.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. PITTINGER. Will the gentleman withhold his objection for a moment?

Mr. STAFFORD. I may say that this Congress has virtually established the policy of not recognizing payment of claims for injuries occurring as far back as 1906. I do not question that, perhaps, this individual was injured, but there are many similar bills for the relief of persons employed by the Government for injuries occurring way back, and objection has been raised to their consideration.

Mr. PITTINGER. If the gentleman will permit, is it not a fact that Congress has gone back quite a ways in respect of claims of this character?

Mr. STAFFORD. Not at this term of Congress.

Mr. KNUTSON. Will the gentleman yield for a question?

Mr. PITTINGER. I yield.

Mr. KNUTSON. Is it true that this man is absolutely blind?

Mr. PITTINGER. Yes, Mr. Speaker; this is a very pathetic case. This is a very old man, I think around 70, who has an aged wife and he maintains himself and wife by selling shoe strings on the street.

Mr. BLANTON. And he is completely blind?

Mr. PITTINGER. There is no doubt about that. The facts are in the report here, and our late colleague the gentleman from Oregon, Mr. Butler, gave careful consideration to this case.

I do not want to start any bad precedents, but here is a case where the files will show, as I know from having gone over them, that this was a case of negligence on the part of other employees. When the matter was called to my attention I felt it was a meritorious case.

I am under the impression that the date does not bar a claim if Congress feels it is meritorious, and certainly no one would say that the Government was doing all it ought to do if through the negligence of the Government agent the man was rendered totally blind and received only \$1,460.

Mr. BLANTON. This was in the Sixty-third Congress. Did that act provide that it would be in full settlement of all claims?

Mr. PITTENGER. I think probably it did.

Mr. BLANTON. Nowadays we put it in the bill that it shall be in full settlement of all claims against the United States Government. Has the gentleman looked the matter up?

Mr. PITTENGER. No; I have not.

Mr. BLANTON. Then, Mr. Speaker, until the gentleman makes an examination of that, I ask unanimous consent that the bill be passed over without prejudice, because in the Sixty-third Congress he received \$1,460, and if it provided that it was in full settlement of all claims against the Government, we ought not to set a precedent by going behind it.

Mr. KVALE. Is it not true that Congress is not a continuing body, and that we consider all these things de novo?

Mr. PITTENGER. That is true.

Mr. BLANTON. While that is true theoretically, each Congress does what it wants to do. I assure my friend that he will find very few instances in the history of the Government where one Congress has gone behind and undone what another Congress has done with reference to paying claims, where the claimant was given a sum of money "in full settlement of all claims against the Government."

Mr. KVALE. I think the gentleman is correct in that.

Mr. PITTENGER. I want to say that subsequent Congresses have provided that that law was not a humane law. They have created a compensation commission that have given payments in excess of this pitiful amount. I feel that this man ought to have an adequate compensation. He was an employee of the Government.

Mr. BLANTON. I agree with the gentleman; if it were not a final and conclusive settlement, \$1,460 is an inadequate payment for a man losing his eyesight, but I want time to look into the matter. I ask that this go over without prejudice.

Mr. BLACK. I think the gentleman from Texas is too broadminded to object to this. What difference does it make whether the money was received in full payment if this man received \$1,460, and it was not an adequate compensation for a man blinded for life?

Mr. BLANTON. We will have another private bill day, and let this bill retain its place on the calendar and go over without prejudice.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the bill go over without prejudice. Is there objection?

There was no objection.

#### PRIMO TIBURZIO

The next business on the Private Calendar was the bill (H. R. 2917) for the relief of Primo Tiburzio.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I suggest the advisability of having the customary attorney's clause appended to the bill.

Mr. BLANTON. Mr. Speaker, with the understanding that the action of the committee reducing this bill from \$5,000 to \$2,500 will be adhered to and that it will be protected from any increase in the other body, I shall not object. There will be no such attempt?

Mr. LAMNECK. No.

Mr. BLANTON. And the \$2,500 will be accepted?

Mr. LAMNECK. Yes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Primo Tiburzio, of Columbus, Ohio, the sum of \$5,000, in full settlement against the Government, as compensation for the death of his daughter, Mary Tiburzio, who was killed when struck by a United States mail truck on September 18, 1930.

With the following committee amendment:

Line 6, strike out "\$5,000" and insert "\$2,500."

Mr. STAFFORD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

#### R. S. HOWARD CO. (INC.)

The next business on the Private Calendar was the bill (H. R. 3321) for the relief of R. S. Howard Co. (Inc.).

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill would pay out of the Treasury \$32,827.51. I object. I have an adverse report against the bill. It is too large a sum to pass here under unanimous consent.

Mr. KNUTSON. Mr. Speaker, will the gentleman withhold his objection?

Mr. BLANTON. I shall, but I am going to object.

Mr. KNUTSON. Mr. Speaker, this claim was submitted to the Court of Claims and the court found there was a legal liability of \$20,827. I happen to have been a member of the subcommittee that considered this claim, and as I recall we held hearings several forenoons upon it. We had members of the department before us and others.

As the result of the action taken by the Government in forcing this company to vacate its quarters over at the Bush Terminal Building in Brooklyn, the company was thrown out of its stride and is to-day virtually bankrupt as a result of the Government's action in compelling them to vacate those quarters. It seems to me that a company situated such as this one is should have its day in court. The Court of Claims has found that there is a legal liability of \$20,000, and because some clerk in the department writes an adverse letter is no sign that there is no merit to the claim.

Mr. BLANTON. If the Court of Claims found only \$20,000 to be due, why is the gentleman asking by this bill that the Government pay \$32,827.51?

Mr. KNUTSON. The Court of Claims also found that there was an equitable of \$61,000 and odd.

Mr. BLANTON. Mr. Speaker, this is too important a matter to be passed by unanimous consent, and I object.

#### DAVID A. WRIGHT

The next business on the Private Calendar was the bill (H. R. 6424) granting jurisdiction to the Court of Claims to hear the case of David A. Wright.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I object.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman from Wisconsin permit a statement to be made?

Mr. STAFFORD. Certainly.

Mr. CHINDBLOM. Mr. Speaker, this is a case which was once heard in the Court of Claims under the so-called Dent Act. The Court of Claims, in its opinion, of which I have a complete copy, sets forth very clearly the reasons for its refusal to grant relief. We all remember that under the Dent Act an informal contract could be made the basis for a suit in the Court of Claims, provided the informal contract had been made with officers who were authorized to act on behalf of the department. In this particular case, at the time Mr. Wright, the claimant, began his negotiations and made his arrangements with the War Department, the Ordnance Department was operating under what was known as the commodity system, there being one section handling a particular commodity contracted for, produced,



inspected, and received by the department. Immediately after he had concluded his negotiations with the department, the department changed its plan of action and transferred its operations from the so-called commodity system to the functional system, under which a single division of the Ordnance Department contracted for and procured all articles, another division produced all articles, and another division inspected and received all articles. The Court of Claims in its opinion said, and it will be found on page 3 of the report:

The kaleidoscopic changes and reorganization of the Ordnance Bureau going on at the time plaintiff conducted his transactions precludes a recovery in this case.

Immediately after Mr. Wright had finished his negotiations the department returned to the commodity system. From that time on they were operating under that system. It is simply because for a very brief time the department changed its method of operation that this officer was unable to conduct his arrangements with the proper officers of the department. The Court of Claims said in its opinion:

The plaintiff, it is true, was never advised by any one of this fact, and in this connection it is proper here to observe that within a very short time after his transaction with the department the functional organization was abandoned and the former commodity plan readopted.

Mr. STAFFORD. Will the gentleman yield?

Mr. CHINDBLOM. Certainly.

Mr. STAFFORD. It appears that this claimant was negotiating with the officers of the Ordnance Department to secure a contract for the manufacture of a certain character of ordnance. The claimants not being in position to go ahead to manufacture that character of ordnance, the Ordnance Department awarded the contract to another contractor. Then later those same officers entered into a verbal arrangement with this man to give him a contract for some other character of ordnance and the war closed. Here is the War Department adversely reporting on this bill for the last several years.

I can not bring myself to the opinion that this man should have relief in the Court of Claims, based upon a statement virtually foreclosing the Court of Claims to find other than in favor of the claimant. True, he went ahead and perhaps secured machinery for getting the contract. Any number of manufacturers did that and did not get any relief.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. CHINDBLOM. This claimant, Mr. David A. Wright, was a tool manufacturer in Chicago. He attended a general conference at Atlantic City which had been called by the Secretary of War for the purpose of getting manufacturers in the United States to assist in the production of ordnance material. They were urged by Colonel Tripp, who was present there, representing the War Department, to set their establishments in order so as to produce war material. Mr. Wright came directly to Washington from Atlantic City. He conferred with Colonel Tripp, and Colonel Tripp turned him over to Maj. Charles D. Wescott and Mr. Howard Abbott.

Mr. Wright told them his plant was not large enough to make the machinery which they wanted, namely, sixteen 88-inch heavy-duty lathes at \$75,000 each, which were to be used in the relining of guns in France. He told them, however, that the Allis-Chalmers Co. had a plant in Chicago which he could purchase and which he could make available and suitable for that purpose. They told him to go back and get that plant and they would stand by him and they would give him the contract. He purchased the plant for \$155,000. He proceeded to arrange to produce these sixteen 88-inch heavy-duty lathes. Meantime the War Department found another manufacturer who was able immediately to produce those particular lathes, so they notified Mr. Wright that instead of the contract which they had offered him for those lathes, they would give him another contract for forty-three 42-inch lathes at \$17,671.56 each. Mr. Wright went ahead and prepared for the manufacture of those lathes. He had already bought the plant for \$155,000. He had pro-

cured material and he was installing the machinery when the armistice came.

I will say that Mr. Wright was a highly respected and reputed citizen and business man in my district. To-day he is living on a few acres of land in southern Missouri in the Ozarks. I have no doubt he enjoys the climate and the surroundings, but he has lost everything he had by reason of this arrangement. He is a patriotic citizen. He is not complaining, but he is asking for his day in court.

The only reason the Court of Claims did not act upon his suit when he brought it last time was that they said they could not bring it within the Dent Act, which required that he should have had his negotiations with officers who were specifically authorized to act for the department in this particular enterprise. I have shown how it was that the officers with whom he started negotiations, while the department was operating under the commodity plan, were authorized to negotiate with him, and before the thing was concluded the department changed its plan and went over to the so-called functional system, and without notice to him. In the meantime he had spent his money. He had bought the plant. He was ready to proceed with the manufacturing, and he lost practically all he had. I submit to the gentleman from Wisconsin that you can not get a clearer case for an exception from the general act.

Mr. STAFFORD. To my certain knowledge I know of some manufacturers who equipped their plants in expectation of securing war orders. When the war closed the orders were cancelled and they did not have any claim against the Government under the Dent Act or any other act.

I object, Mr. Speaker.

JAMES WALLACE

The Clerk called the next bill, H. R. 3627, for the relief of James Wallace.

There being no objection, the Clerk read as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James Wallace, who was a member of Troop K, Sixth United States Cavalry, and who was honorably discharged therefrom on January 17, 1902, and reenlisted April 8, 1902, in said organization, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on June 22, 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendments:

Page 1, line 8, strike out "said organization" and insert "Troop K, Fourth United States Cavalry."

Page 2, line 1, after the figures "1902," insert "and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREDERICK S. ROLLO

The Clerk called the next bill, H. R. 7326, for the relief of Frederick S. Rollo.

Mr. BLANTON. Mr. Speaker, this bill as introduced was for \$10,000. The committee has reduced it to \$1,500. May we have an understanding with the chairman of the committee, who will be a conferee, that he will not in the closing hours of Congress permit this to be raised above the \$1,500?

Mr. BLACK. I will promise the gentleman that all the pressure of the United States Senate will not permit this bill to be raised one cent.

Mr. BLANTON. Mr. Speaker, I want to raise one other question: Why is it there is no report from the department on this bill incorporated in the committee's report? The committee usually prints the department report on such bills.

Mr. BLACK. The chairman of the committee, who drew this report, probably did it hurriedly, and all that, but he was satisfied with the situation.

Mr. BLANTON. Is there an adverse report?

Mr. BLACK. I find this true, Mr. Speaker, that if I draw a 1-page report I get one objection. If I draw a 2-page report, I get two objections. I am trying to condense these reports. We can not get any place anyway, and what is the use of writing a novel on these things?

Mr. BLANTON. I have not yet objected to any bill unless there was against it some adverse report.

Mr. BLACK. I am not criticizing the gentleman.

Mr. BLANTON. Is there any adverse report against this bill?

Mr. BLACK. I have here a letter in which it is stated while the department very much regrets the injury to Mr. Rollo, you are informed no appropriation has been furnished the department for the disposition of claims of this character in cases where injuries are sustained by those working on public buildings or the site thereof. The only relief afforded is by act of Congress. This department, however, does not take the initiative in obtaining such legislation.

Mr. BLANTON. With the understanding that the amount will not be raised beyond \$1,500, I shall not object.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I notice there is no affidavit filed by anybody as to the injuries this man sustained, or what expense he was put to.

Mr. BLANTON. That is in the report.

Mr. BACHMANN. You can take the committee report ordinarily and tell what expense a man was put to or what injury he sustained, but there is no statement from the doctor or anything to show. I am going to object to every one of these bills where there is no report or letter from the department and where there is no affidavit or statement by some witness or the doctor, giving us some idea of the extent of the injuries.

In this instance this bill was introduced for \$10,000, and they have cut it down to \$1,500. If the injuries necessitated this man being paid \$10,000, and the amount has now been cut to \$1,500, certainly inquiry is proper as to the extent of the injuries.

Mr. PITTINGER. Mr. Speaker, will the gentleman withhold his objection?

Mr. BACHMANN. I will withhold it to permit the gentleman to make a statement.

Mr. PITTINGER. I may say to the gentleman, as a member of the Committee on Claims, all bills before it have been fully considered. The committee always considers the question of the extent of the injuries. That is based on affidavits and doctors' statements.

If we undertook to incorporate in our reports these affidavits and statements we would have an enormous bill for printing. We cut these things down, and we cut them down where they belong. That was done in this case. Your committee does not go haphazard into these matters. Your committee sits around that table and fights over these matters. The gentleman from Wisconsin [Mr. SCHAFER], is a member of the Committee on Claims and holds the championship record for checking into the reasons and I suspect he is responsible for the amount being cut to \$1,500 in this case.

I want the RECORD to show that the committee gives careful attention to all these matters.

Mr. BACHMANN. I may say in answer to the gentleman that I have been on this Private Calendar for some time, not only at this session of Congress. Very rarely does the committee make a report without incorporating a letter from one of the departments.

Mr. BLACK. If that is so—and it is so—why all the high excitement because there does not happen to be a report with this bill? The Committee on Claims is getting highly incensed at the attitude taken by these highly conscientious objectors. I do not see why there should be all this excitement because there happened to be an oversight. Notwithstanding the fact that there was \$8,500 cut off this bill the gentleman from West Virginia thinks he is doing his high duty to Congress and the rest of the world by calling atten-

tion to the fact that for once the committee forgot to put the affidavit or letter in the report.

Mr. BACHMANN. The committee forgot in the next bill, too, Calendar No. 554. They have no report in that case.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BLACK. I yield.

Mr. BLANTON. The gentleman from New York need not get so excited.

Mr. BLACK. I am not excited.

Mr. BLANTON. The people of the United States within the last three months, through a talking movie, have been given to understand that on certain nights here the House meets and the Speaker takes up a big lot of bills, some carrying \$100,000,000, and without any consideration whatever by the House, the Speaker will say "This bill will be considered as read, engrossed, passed, and a motion to reconsider laid on the table."

That is not so. There are men in this Congress who watch these bills, and who object when they are unmeritorious, and the American public is given the wrong impression; lots of bills are passed that ought not to be passed, but the unmeritorious bills carrying large amounts are stopped.

The gentleman from New York is impatient whenever any Member gets up here and raises an objection; and he calls the gentleman from West Virginia [Mr. BACHMANN] and the rest of us conscientious objectors; but it is a mighty good thing that the people of the United States have a few of them here in this Congress.

Mr. BLACK. Mr. Speaker, the chairman of the Committee on Claims is highly satisfied with his work, and he is not excited at all. The chairman of this committee is doing his best to save some money for the Treasury. The chairman of the committee was really a conscientious objector then in high and exalted standing and I wish the other objectors had gone along with him.

Mr. MOUSER. Mr. Speaker, reserving the right to object, along the line of what has just been stated by the gentleman from West Virginia and the gentleman from Texas, I may say that in going over the bill pertaining to claims for damages against the Government I found five bills without any Government report. I want to serve notice on the chairman of the Claims Committee that I am going to ask unanimous consent that all of these bills go over until this House gets information upon which it can act and I shall object to consideration of the bills if such unanimous consent is not given.

Mr. BLACK. That is not going to break the heart of the chairman of the Claims Committee. The gentleman should take that up with the Members who introduced the bills.

Mr. BACHMANN. Mr. Speaker, I want to say to the chairman of the Claims Committee that nobody wants to come in here and object to these bills as they come before the House, but the men who are objecting to the bills on this calendar are selected for that purpose. There are a great many tort actions that come before the gentleman's Committee and lots of times claims reach the House that have no reason to be passed.

Mr. BLANTON. And some that have already been passed.

Mr. BACHMANN. Yes.

Mr. BLACK. They are the only ones that get by the objectors.

Mr. SCHAFER. Mr. Speaker, I think we might as well adjourn to-night and let the members of the Claims Committee resign. After a subcommittee has spent 8 or 9 hours or even as much as 24 hours considering one of these bills and after the entire Committee on Claims fights over one of these bills, if they are not to be considered by the House, they might as well resign and let the conscientious objectors form a new Claims Committee and transact the business.

Mr. BACHMANN. Mr. Speaker, I object.

DAVID A. WRIGHT

Mr. STAFFORD. Mr. Speaker, a moment ago I objected to a bill (Private Calendar No. 551). I ask unanimous consent that we return to that bill (H. R. 6424).



Mr. BLANTON. Mr. Speaker, it is too early to begin returning to bills now. We have too many bills on the calendar that we have not reached. I object.

JOHN J. MORAN

The clerk called the next bill (H. R. 8136) for the relief of John J. Moran.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, since we have been discussing the work of the Claims Committee, I know there are a good many bills before that committee and I do not want to criticize them, but here is a bill that has passed the Claims Committee and is on the floor of this House providing for the payment of \$296.42 because some postmaster made a mistake in promoting a clerk which he was not authorized to do. You have passed that bill out making the Government of the United States pay the claimant 4 per cent interest since 1918.

Mr. BLACK. He ought to get 6 per cent. We were too reasonable about it. Sometimes the cost of printing the reports would cost more than the amount of the claim.

Mr. BACHMANN. There should certainly be a letter from the Post Office Department explaining what this is all about and saying whether it is proper or not.

Mr. BLACK. In some cases it would cost more to print all that information than to pay the claim.

Mr. STAFFORD. Mr. Speaker, will the gentleman from West Virginia withhold his objection?

Mr. BACHMANN. I withhold it.

Mr. STAFFORD. Would the author of the bill be willing to have this bill passed without the charge of interest included?

Mr. LONERGAN. Yes.

Mr. BACHMANN. There is another amendment that ought to be adopted. This claim was not denied by the Post Office Department, although the bill states that it was. It was denied by the General Accounting Office, and the bill certainly ought to be corrected in that respect.

Mr. STAFFORD. We can correct that by an amendment.

Mr. BACHMANN. This is another one of those cases where there is no report from the Post Office Department as to whether or not this claim is correct, and, in addition to that, this matter has been pending since 1918.

Mr. Speaker, I object.

Mr. LONERGAN. Will the gentleman withhold his objection a moment?

Mr. BACHMANN. I will be glad to withhold it.

Mr. LONERGAN. Mr. Speaker, during the war, one of the young men in the Post Office Department, as I remember it, left, and the postmaster had to act promptly. He transferred a carrier to the position of clerk and took a substitute carrier and named him carrier, and, awaiting authority from the Post Office Department, the postmaster paid both of these men out of his own funds. This was in a munitions manufacturing community in part, and the postmaster exercised business judgment in filling the vacancy. I think the case is one of merit and the bill ought to be passed.

Mr. BACHMANN. The Government got the service, did it not?

Mr. LONERGAN. Yes; and the postmaster paid for the service.

Mr. BACHMANN. And it was in 1918, was it not?

Mr. LONERGAN. That is true.

Mr. BACHMANN. Has the gentleman taken it up with the Post Office Department?

Mr. LONERGAN. I have not, but the claimant has, so he reports to me.

Mr. BACHMANN. Does the gentleman have a report from the Post Office Department that is not adverse to the payment of this claim?

Mr. LONERGAN. The Post Office Department said that the way to get the money was to apply to the Congress.

Mr. BACHMANN. May I ask the chairman whether he has in his files a letter from the Post Office Department about this claim?

Mr. BLACK. We have already wasted about \$250 worth of time on this matter.

Mr. BACHMANN. Does the gentleman have a letter from the Post Office Department about this?

Mr. PATTERSON. I think the gentleman from New York must have that document somewhere. I think this is a meritorious claim. We can pass over this, and when the gentleman finds his document we can go back to it.

Mr. BLACK. It seems to me that the Claims Committee ought to have some standing here. We have already spent \$500 worth of time.

Mr. BACHMANN. Does the gentleman say that there was no adverse report from the Post Office Department?

Mr. BLACK. I have the document here now. It says that in view of the fact that the services were performed by Mr. Keating and Mr. Welch, and each of them was paid the sum claimed by the postmaster, favorable action on the bill is recommended.

Mr. BACHMANN. Mr. Speaker, I withdraw the reservation of objection.

Mr. MOUSER. Mr. Speaker, I want to say that if the chairman had put that report of the department in we would not have required the time that we have wasted on this bill. Of course, a report could not be made on all items, but the committee could have put this document in its report.

Mr. ALLGOOD. I want to state to the gentleman that No. 550 on the Private Calendar had a favorable report, but it was objected to.

Mr. MOUSER. That was up to the individual.

Mr. ALLGOOD. The individual said there was a report against it. That is not true.

Mr. MOUSER. Well, I did not object to it; why ask me about it?

[Cries of "Regular order!"]

The SPEAKER pro tempore. Objection is withdrawn; the Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and paid to John J. Moran the sum of \$296.42, being the amount paid by Mr. Moran as postmaster at Southington, Conn., to Raymond F. Keating and Keron R. Welch, employees at the post office, for the period August 16 to September 30, 1918, which amount was not allowed by the Post Office Department, plus interest at the rate of 4 per cent.

Mr. STAFFORD. Mr. Speaker, I move to strike out all after the figures "1918."

The Clerk read as follows:

Beginning with the comma, after the figures "1918," on line 9, strike out the remainder of the bill.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

M. J. HARBINSON

The next business on the Private Calendar was the bill (H. R. 9008) providing compensation to M. J. Harbinson for injuries sustained while in the Government service at and on the Belknap Reservation, Mont., engaged as a moundsman.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill has been reduced from \$4,500 to \$1,080. May I have the assurance of the gentleman from New York that another body will not raise it from that sum?

Mr. BLACK. I think the chairman of the committee ought to give bond for everything he does and be provided with counsel. [Laughter.]

Mr. BLANTON. Reserving the right to object, Mr. Speaker, the men who sit on this floor night after night and try to protect the Treasury of the United States do not get a single cent more than other Members. If the gentleman from New York is going to take that stand, if he can not assure us that when the bill is sent to another body they will not raise it, I shall object to it, but if he will assure us that he will protect it for this reduced sum, I will not object. If we do not have such a reasonable assurance

I will object to every one of these bills that are proposed to be reduced to proper allowances.

Mr. KVALE. The gentleman has that assurance.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. KVALE. Will not the gentleman tell us upon what ground he objects? If the gentleman has read the report and is not satisfied, I think I can satisfy the gentleman. My colleague is unavoidably absent this evening, but I am convinced of the merits of this bill.

Mr. EATON of Colorado. I have read the report over carefully. There is nothing in the report to show that the man when he was injured was in the employ of the United States, there is not a word to show that he was performing any duty for or on behalf of the United States.

Mr. KVALE. There is an affidavit in the report.

Mr. BLACK. It says here in the report that he was in the employ of the United States.

Mr. EATON of Colorado. The Department of the Interior has a long report and it does not so state.

Mr. BLACK. It says so in the first paragraph.

Mr. EATON of Colorado. This class of bills is generally handled under the Compensation Commission class of bills.

Mr. KVALE. The Compensation Commission has also a report.

Mr. EATON of Colorado. In all of the bills for injuries arising prior to 1916 no relief has been granted in this Congress. Many claims just as meritorious as this have been denied. With the exception of one bill, one of the first passed, none for injuries that arose prior to September 7, 1916, have been allowed. I therefore object.

Mr. KVALE. I wish the gentleman would reconsider his decision, for the reason, carried in the report of the Department of the Interior, also in the report of the United States Compensation Commission, which is carried in the report of the committee, also in the affidavit of the claimant and in the statement of the doctor who attended him, and then again in the statement of the gentleman who was a companion of his at the time of the accident, clearly he was in the Government employ, contradicting the statement of the gentleman at the outset of his remarks. Clearly he was injured while on Government service. Let me read the statement from the gentleman concerned. The bill has been cut from \$4,500 to \$1,080. I can not see why we can not do justice to this injured man. He says:

Despite the fact, I think the bill as introduced was fair without any cut, as they allowed nothing for doctor or hotel or board during the two years I was laid up.

Mr. KNUTSON. How much did the committee cut the bill?

Mr. KVALE. Practically 80 per cent.

Mr. PITTINGER. That covers the disability during the period of two years.

Mr. EATON of Colorado. In the statement of facts to which my attention was directed it merely states that this man was at one time for a certain period employed by the Government, but that at the time of the accident he took a team and wagon, which was in bad shape, and went away and never returned to his employment. There is nothing to show that he was doing any work for the Government or was performing any duty on behalf of the Government at the time of the accident.

Mr. KVALE. The affidavits contained in the report show clearly the opposite.

Mr. EATON of Colorado. I am reading from the report. Under the circumstances we may pass the bill without prejudice and let it stay on the calendar, and I shall withdraw my objection.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

#### EMILY ADDISON

The next business on the Private Calendar was the bill (H. R. 9336) for the relief of Emily Addison.

Mr. MOUSER. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice, pending a report from the department.

Mr. BLACK. I have a report here. It is a long report.

Mr. MOUSER. Is it favorable?

Mr. BLACK. It is. I read from the report:

It would appear from the record that as a matter of equity and justice the beneficiary under H. R. 9336 is entitled to some relief, and the War Department recommends it be granted in such amount as Congress may determine to be proper under the circumstances.

Mr. MOUSER. Mr. Speaker, reserving my objection further, there were three people injured and three killed in this case. Here we are asked to pass on a bill, and I call attention of the chairman respectfully to the fact that it will immediately involve the Government in five further claims. Yet we are asked to consider it without any department report. It seems to me that the chairman of this committee, with all due respect, can save the time of this House and expedite the business under this Private Calendar if his committee will attach the governmental report as being favorable or unfavorable.

Mr. PALMISANO. I wish to say that the Seventy-first Congress paid compensation to the parent of the three children who were killed in this accident.

Mr. MOUSER. And the gentleman will understand that there will be further claims. I withdraw the reservation in view of the favorable report.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think this amount is rather high for a person now enjoying fair health, and to pay \$2,000 to one injured in a minor way is more than liberal.

If the gentleman is willing to cut that down to a modest sum I will withdraw my objection.

Mr. PALMISANO. Mr. Speaker, I will offer an amendment at the proper time. I suggest it be made \$1,500, so that there will be no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That there is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the United States Treasury not otherwise appropriated, the sum of \$2,000 to Emily Addison in full for all claims she may have against the Government on account of injuries received by her on the 14th day of August, 1919, by being struck by a falling airplane, then and there owned and operated by the Government of the United States.

Mr. PALMISANO. Mr. Speaker, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment by Mr. PALMISANO: In line 6, strike out "\$2,000" and insert in lieu thereof "\$1,500."

The amendment was agreed to.

Mr. PATTERSON. Mr. Speaker, I offer the usual attorney's-fee amendment.

The Clerk read as follows:

Amendment by Mr. PATTERSON: In line 11, after the words "United States," strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

#### SPERRY GYROSCOPE CO. (INC.), OF NEW YORK

The Clerk called the next bill, H. R. 9457, for the relief of Sperry Gyroscope Co. (Inc.), of New York.

Mr. MOUSER. Mr. Speaker, I object to this bill.

Mr. CELLER. Will the gentleman reserve his objection?

Mr. MOUSER. I will reserve the objection, but I may save time by saying that I intend to object to this bill unless the departmental report is furnished.



Mr. CELLER. I have a copy of it right here. May I read the letter to the gentleman?

Mr. MOUSER. Secondly, I will object unless the amount is reduced in proportion to the recommendation of the department, whatever that may be. Upon private investigation, I find that the department has disallowed part of this claim and recommended the other part.

Mr. CELLER. That is not accurate. If the gentleman will allow me to read the letter from the Secretary of the Navy, I think he will have his mind cleared on the subject. Incidentally, this was a claim presented by the Sperry Gyroscope Co. (Inc.), of New York, for \$2,833.70 refused them by the Comptroller General's office on a strict legal interpretation of a contract, claiming that the Sperry Gyroscope Co. delayed delivery of the goods a certain number of days and therefore there could be invoked against them a penalty clause of 10 per cent of the amount of the contract. Ninety per cent of the total amount of the contract has been paid. The Comptroller General says the 10 per cent should not be paid. The Secretary of the Navy in his letter says as follows:

DEPARTMENT OF THE NAVY,  
OFFICE OF THE SECRETARY,  
Washington, March 2, 1932.

The Hon. EMANUEL CELLER,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN CELLER: Receipt is acknowledged of your letter dated February 18, 1932, addressed to Rear Admiral Joseph J. Cheatham (Supply Corps), United States Navy, Chief of the Bureau of Supplies and Accounts, wherein you state you have introduced bill H. R. 9457, for the relief of the Sperry Gyroscope Co. (Inc.), in which letter you request opinion as to the merits of said bill.

The sum of \$2,833.77, provided by said bill, represents \$1,480.30 disallowed by the Comptroller General of the United States in settlement A-39464, dated November 20, 1931, as liquidated damages due to delay in delivery under contract No. NOs-12737 and \$1,353.47 disallowed by the Comptroller General in settlement A-40399, dated January 29, 1932, as liquidated damages due to delay in delivery under contract No. NOs-11163.

The material covered by the above-mentioned contracts was navigational apparatus and was largely experimental. Considerable delay was experienced by the contractor due to development work, to change in design, and making improvements found to be necessary to meet the exacting needs of the naval service.

The improvements made were instrumental in furnishing the Navy with apparatus of greater precision and accuracy, and the delays caused no additional expense to the Government. Much of the material furnished under said contracts has little application outside the naval service as the accuracy requirements exceed those called for in the commercial field.

Failure to remit liquidated damages where delays are incurred for the reasons hereinbefore set forth, and when the Government suffered no damage by the delays, is apt to discourage manufacturers from undertaking development work or improvement of standard instruments, which would militate against the best interests of the Navy.

The Navy Department recommends that bill H. R. 9457 be enacted.

Sincerely yours,

CHARLES F. ADAMS,  
Secretary of the Navy.

Mr. MOUSER. That letter is addressed to yourself?

Mr. CELLER. It is a part of the record. This is a copy. The original is in the record.

Mr. MOUSER. But it is not in the report.

Mr. BLACK. We had a hearing on this bill, and the letter was submitted to the committee.

Mr. CELLER. The gentleman does not doubt my word, does he?

Mr. MOUSER. I do not refer to the gentleman. I want to know if the chairman of the committee had gotten that report?

Mr. BLACK. This is the report. We had a hearing on this bill, and that letter was submitted to the committee.

Mr. MOUSER. Why do we not have that before us? The only information I had was that the Comptroller General had disallowed both claims. I am talking about the information I have. The Comptroller General disallowed both claims, as the gentleman has just read from the letter from the Navy Department.

Mr. STAFFORD. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. STAFFORD. I was desirous of knowing the Secretary of the Navy's report referred to in the report, under

date of March 2. The gentleman has just offered it. It would have saved a great deal of time in the consideration of these bills if we had been furnished the information which to me seems satisfactory, because it is a repayment of liquidated damages, whereby the Government has not suffered any loss, and therefore I think this bill should pass.

Mr. MOUSER. The gentleman, of course, realizes that the taxpayers will have to expend that much money, even though it is liquidated damages?

Mr. STAFFORD. Oh, yes; but I have never recognized the repayment of liquidated damages where the Government has suffered any loss. However, in this case, the Government has not suffered any loss by reason of the failure to furnish these supplies on time.

Mr. MOUSER. I will say to the gentleman if he will reduce that amount to \$2,000 I will have no objection. There are two conflicting reports.

Mr. CELLER. Where is the conflict?

Mr. MOUSER. The Comptroller General disallowed both claims. Now the Secretary of the Navy comes along in a recent letter, received by the zealous gentleman from New York in behalf of his clients—

Mr. PATTERSON. Will the gentleman yield to me?

Mr. MOUSER. I yield.

Mr. PATTERSON. I have made an investigation of that matter, and I find that the exact amount was disallowed without any interest. It is the same amount that the Navy now recommends. I feel that if it is the exact amount they have approved, without any interest, in all probability it would not be the proper thing to reduce it.

Mr. MOUSER. Well, I do not like this way of doing business, and unless the gentleman will reduce it to \$2,000 I will object.

Mr. CELLER. I do not think the gentleman should insist upon that.

Mr. BLACK. I make the suggestion to the gentleman from New York that he might accept the proposition of the gentleman from Ohio and reduce this to \$2,000.

Mr. MOUSER. There are two conflicting reports from governmental authorities. It certainly ought to be reduced if there is any doubt about the matter.

Mr. BLACK. The gentleman from New York [Mr. CELLER] is a practical gentleman. Two thousand dollars is better than nothing.

Mr. MOUSER. The gentleman from New York [Mr. CELLER] is an earnest advocate, but he can not change my mind altogether, when the Comptroller General has turned this matter down.

Mr. CELLER. The Comptroller General has to decide it this way. He must take a legalistic view of this proposition, and that is why we have come here for this remedy. Under the contract I would say that the Sperry Gyroscope Co. have inflicted against them the Shylock attitude of somebody demanding the pound of flesh, certainly without justice, and they could not get their remedy.

If you are going to existing organizations of this character for the development of these specific instruments that must be developed with the greatest accuracy, instruments which go into our national defense, which go into airplanes and go into the very lifeblood of the Nation for purposes of defense they must be treated properly or they can not be expected to continue.

Mr. MOUSER. I do not want to be unreasonable, but the gentleman has already conceded in his statement that the contracts are illegal. Therefore there is no legal obligation on the part of the Government.

Mr. CELLER. No; I did not say that.

Mr. MOUSER. It is simply a so-called moral obligation; there can not be legal liquidated damages if it is not a legal obligation. Therefore I think the gentleman should accept the suggestion.

Mr. CELLER. I will accept it.

Mr. MOUSER. Mr. Speaker, I will, at the proper time, offer an amendment in conformity with the suggestion.

Mr. CELLER. I will accept it. That makes it \$2,000.

Mr. MOUSER. That is right.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,833.77 to the Sperry Gyroscope Co. (Inc), on remission of liquidated damages under contracts covering self-synchronous gyro compass course recorders and for alidades furnished the Brooklyn Navy Yard.

Mr. MOUSER. Mr. Speaker, I offer an amendment.  
The Clerk read as follows:

Amendment offered by Mr. MOUSER: In line 5, strike out "\$2,833.77" and insert in lieu thereof "\$2,000."

Mr. BLANTON. Mr. Speaker, I offer an amendment to the amendment of the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the amendment offered by Mr. MOUSER: After the figures "\$2,000" insert the words "in full settlement of all claims against the United States."

The SPEAKER pro tempore. The question is on the amendment of the gentleman from Texas to the amendment of the gentleman from Ohio.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. MOUSER. Mr. Speaker, I offer an amendment.  
The Clerk read as follows:

Amendment offered by Mr. MOUSER: Line 9, after the word "Yard," insert: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed; and a motion to reconsider laid on the table.

#### NAVAL AMMUNITION DEPOT, LAKE DENMARK, N. J.

The Clerk called the next bill, H. R. 9581, to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the Naval Ammunition Depot, Lake Denmark, N. J., July 10, 1926.

Mr. BLANTON. Mr. Speaker, this bill carries \$14,409.09, but it comes to us from the committee with a favorable report from the Navy Department and a favorable report from the Comptroller General. With this state of facts, I do not object.

Mr. SCHAFER. Mr. Speaker, reserving the right to object, as a member of the Committee on Claims, I voted against reporting this bill out. The gentleman from Texas [Mr. BLANTON] perhaps overlooked the fact that legislation had been enacted providing for the determination of the amount of damages by the Navy Department and appropriations made for those allowances. Now we come in and find that a certain few of the beneficiaries of that legislation did not desire to accept the amounts originally determined by the Navy Department. Thereupon the Navy Department reopened and reviewed these few claims and recommended an additional amount of \$14,409.09. I do not believe that the Treasury should be dipped into for this amount. One of the claimants herein will receive \$9,000, a claimant who, according to the committee report, has already received \$29,756.99.

In view of these facts, and in view of the fact I voted against the bill in committee, and in view of the fact that the watchdog of the Treasury [Mr. BLANTON] is willing for the Treasury to be raided to this extent, I object.

Mr. BLANTON. The Comptroller General says it is a just claim and ought to be paid.

#### LAURA ROUSH

The Clerk called the next bill, H. R. 10377, authorizing the payment of compensation to Laura Roush for the death of her husband, William C. Roush.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I object.

#### GEORGE T. JOHNSON & SONS

The Clerk called the next bill, S. 563, for the relief of George T. Johnson & Sons.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to George T. Johnson & Sons, of Cambridge, Md., out of any money in the Treasury not otherwise appropriated, the sum of \$180 in full settlement of claim for repairs ordered by the collector of customs at Baltimore, Md., to wharf and boats of H. F. Brannock (Inc.) due to damages done by seized power boats *Hiawatha* and *Whitpoorwill* in charge of United States customs officers.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

#### ANNA POKORNY

The Clerk called the next bill, S. 3147, for the relief of Anna Pokorny.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I notice frequently we get bills from the Senate which provide for monthly payments over a period of years. My thought is solely that this amount should be paid by the Government in a lump sum. It figures out for a period of 167 months, which is 13 years and 11 months, to a total of \$5,010. I think the universal custom in death claims is to allow \$5,000.

I therefore urge that an amendment providing for payment in a lump sum be adopted and urged upon the Senate conferees. In its present form it means bookkeeping over years, possible litigation between the heirs and the Government, and a lot of red tape and technicality.

I think the claim is worthy, I will say to the chairman of the Committee on Claims; but I do respectfully urge that he accept the suggestion that the amount be paid in a lump sum.

Mr. BLACK. I have no particular objection to its being paid in a lump sum. If the gentleman wishes such an amendment, I shall be pleased to accept a lump-sum amendment and insist on it in conference.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. MOUSER. I yield.

Mr. STAFFORD. There have been some cases where there has been a very meritorious presentation of grounds for voting a monthly allowance on the theory that the claimant, if voted a lump sum, might dissipate the total amount very quickly.

I do not recall all the facts of this case. I know it is a meritorious claim. It might be provided that she be paid \$30 per month during her lifetime only. Of course, then she would be assured of getting this amount every month during her lifetime—or for 167 months—whereas if she received the \$5,000 she might squander it and in a few years become an object of charity.

Mr. MOUSER. I may say to the gentleman that we can not set the Government up as a guardian of these people. In that case we would have to go into the personality of the beneficiary. If she is entitled to relief, she should have it, and it should be paid in a lump sum.

Mr. STAFFORD. Then the amount should be made a flat \$5,000.

Mr. MOUSER. Yes. That is in conformity with our usual policy.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna Pokorny, of New York City, the sum of \$30 per month for a period not to exceed 167 months, in full satisfaction of her claim against the United States on



account of the death of her husband, William Pokorny, who was killed by a stray bullet fired by a member of the United States Army in target practice near Sandy Hook, N. J.

**Mr. MOUSER.** Mr. Speaker, I offer the following amendment:

In line 6, strike out all after the word "of" down to and including the word "months," in line 7, and insert in lieu thereof "\$5,000" and the usual attorney's fee provision.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: Page 1, line 6, after the word "of," strike out "\$30 per month for a period not to exceed 167 months," and insert "\$5,000."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: At the end of the bill insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

JOHN L. DUNN

The Clerk called the next bill, H. R. 973, for the relief of John L. Dunn.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to John L. Dunn, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000 in full settlement against the Government of his claim for injuries received when he was run down by an automobile driven by M. O. Northrup, special agent of the Treasury Department attached to the Customs Service.

**Mr. MOUSER.** Mr. Speaker, I offer the usual attorney's fee amendment.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ANTHONY HOGUE

The Clerk called the next bill, H. R. 3044, for the relief of Anthony Hogue.

There being no objection, the clerk read the bill as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$600 to Anthony Hogue, formerly finance clerk of the Fox Creek Post Office Station, Detroit, Mich. Said sum represents the amount paid by said Anthony Hogue to the United States Government to make up the deficit in the accounts of the Fox Creek Station, which deficit was caused by robbery or burglary of said post office.

**Mr. STAFFORD.** Mr. Speaker, I offer the following amendment: At the end of the bill insert "on or about July 30, 1927."

**Mr. CLANCY.** Mr. Speaker, I am pleased to accept the amendment.

The clerk read as follows:

Amendment offered by Mr. STAFFORD: At the end of the bill insert "on or about July 30, 1927."

The amendment was agreed to.

**Mr. STAFFORD.** Mr. Speaker, I offer the usual attorney's fee amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD. At the end of the bill insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

GUSTAV WELHOELTER

The Clerk called the next bill, H. R. 3045, for the relief of Gustav Welhoelter.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$900 to Gustav Welhoelter, assistant superintendent of the Fox Creek post-office station, Detroit, Mich. Said sum represents the amount paid by said Gustav Welhoelter to the United States Government to make up the deficit in the accounts of the Fox Creek station, which deficit was caused by robbery or burglary of said post office.

**Mr. STAFFORD.** Mr. Speaker, I offer the following amendment: At the end of the bill insert "on or about July 30, 1927," and the customary attorney's fee amendment.

**Mr. CLANCY.** Mr. Speaker, I am pleased to indorse the amendment with respect to the date of the robbery.

**Mr. KUNZ.** Mr. Speaker, do I understand that in all of these cases attorneys' fees are allowed? I do not see why attorneys' fees should be allowed in case of a robbery.

**Mr. STAFFORD.** Mr. Speaker, for the information of the gentleman from Illinois, I ask that the attorney's fees amendment may be reported in full.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 11, after the word "office," insert "on or about July 30, 1927," and the customary attorney's fee provision, as follows:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MESSRS. SHORT, ROSS, SHAW, AND MAYHOOD

The next business on the Private Calendar was the bill (S. 212) for the relief of Messrs. Short, Ross, Shaw, and Mayhood.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$60 to Messrs. Short, Ross, Shaw, and Mayhood, of Calgary, Alberta, Canada, for services performed in connection with the extradition

of one Emmett A. Busby, who had been indicted in the United States District Court for the Southern District of California on a charge of concealment of assets of a bankrupt estate.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

#### KENNETH CARPENTER

The next business on the Private Calendar was the bill (S. 213) authorizing adjustment of the claim of Kenneth Carpenter.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of Kenneth Carpenter for blood furnished August 29, 1930, for transfusion to Clarence C. Watson, a patient in a Government hospital, and to allow in full and final settlement of said claim an amount not in excess of \$30. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$30, or so much thereof as may be necessary, for the payment of such claim.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

#### OREM WHEATLEY, KENNETH BLAINE, AND JOSEPH R. BALL

The next business on the Private Calendar was the bill (S. 219) authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claims of Orem Wheatley for blood furnished April 15, 1931, and Kenneth Blaine for blood furnished April 22, 1931, for transfusions to Edwin Grinnell, a patient in a Government hospital, in amounts not in excess of \$30 and \$20, respectively; and, also, the claim of Joseph R. Ball for blood furnished June 30, 1931, for transfusion to Harry Blair, also a patient in a Government hospital, in an amount not in excess of \$42, and to allow in full and final settlement of said claims amounts not in excess of the amounts herein stated. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$92, or so much thereof as may be necessary for the payment of said claims.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

#### JOHNSON & HIGGINS

The next business on the Private Calendar was the bill (S. 252) authorizing adjustment of the claim of Johnson & Higgins.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized to settle and adjust the claim of Johnson & Higgins in a sum not exceeding \$115.12 for a general average adjustment requested by the War Department to be made in August, 1922, and report of which was made in 1927. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$115.12 for payment of the claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WILLIAM B. THOMPSON

The next business on the Private Calendar was the bill (S. 284) for the relief of William B. Thompson.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I do not like to take the time in pointing out overcharges as the basis of claims; but it seems to me from the itemization on page 3 that this claimant is working the Government to the extent of a few hundred dollars. Why should we pay for cementing the cellar and pay for 91 hours for pumping water?

Mr. PITTENGER. Let me say to the gentleman that I prepared the report, and I did it after carefully going

through the report of the Secretary of War and other records submitted. They had their engineer and men on the job to investigate, and they say that the claim is reasonable. I concurred in their conclusions.

Mr. STAFFORD. Why should the Government pay for laying the cement in a person's cellar?

Mr. PITTENGER. Because of the change in the water level due to the digging of the canal, this man's cellar, which was not cemented, and which had been a good dry cellar, suitable to his purpose before, was flooded.

Mr. STAFFORD. Oh, on occasions the water would seep through.

Mr. PITTENGER. Oh, no, no.

Mr. BACHMANN. Mr. Speaker, I believe the gentleman from Minnesota states the correct situation, as I understand the report. There was no water in this man's cellar prior to the time the War Department went in there and started to dredge that canal.

Mr. STAFFORD. I agree.

Mr. BACHMANN. And after that he started to have this trouble.

Mr. STAFFORD. I agree.

Mr. BACHMANN. And he had to cement his cellar to keep the water from coming in.

Mr. STAFFORD. Oh, no. The report says that in order to prevent it he had to install an electric pump, and before that he used a hand pump.

Mr. BACHMANN. But the cost of that pump was only \$30.

Mr. STAFFORD. I withdraw the objection, although I think the claimant is working the Government.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William B. Thompson, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$562.80 by reason of damages to his property caused by the dumping of spoil dredged from the Chesapeake and Delaware Canal in the lowering of the water level of the said canal at the town of Summit Bridge, New Castle County, in the State of Delaware.

Mr. PATTERSON. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. Patterson: Page 1, line 6, after the figures "\$562.80" insert "in full settlement of all claims against the Government."

The amendment was agreed to, and the bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

#### HERBERT G. BLACK

The next business on the Private Calendar was the bill (S. 487) for the relief of Herbert G. Black, owner of the schooner *Oakwoods*, and Clark Coal Co., owner of the cargo of coal on board said schooner.

The SPEAKER pro tempore. Is there objection?

Mr. MOUSER. Mr. Speaker, I object.

Mr. NELSON of Maine. Mr. Speaker, will the gentleman withhold his objection for a brief statement?

Mr. MOUSER. I reserve it for the moment, but I say to the gentleman frankly that my ground of objection is that there is absolutely no negligence here. The schooner went beyond the buoys, and the submarine hit it. That is the report of the department.

Mr. NELSON of Maine. Mr. Speaker, I think the gentleman has not read the report fully. This man, Herbert G. Black, I am interested in, because he is a constituent of mine. He is an old-time Maine sea captain. He has had long experience and is fully acquainted with all of the requirements of navigation and has a splendid record. At the time of this accident he had practically his life savings invested in this schooner. In this bill he is asking not for any appropriation but simply for the right to go into the United States court and prove his case.

Mr. MOUSER. That is correct.



Mr. NELSON of Maine. On the evening of November 24, 1919, his schooner came into collision with a United States submarine. Immediately after that the Navy Department held an ex parte hearing, in which no member of the crew or captain of this schooner was present.

The Navy Department made a sort of finding that the lights on the schooner did not conform to the requirements of navigation or the rules of the road, and that he was in an improper place at the time. That was an ex parte hearing. If the captain had been allowed to be present, he would have testified that these lights had been recently purchased by him, that he had personally lighted and trimmed and placed those lights, and that they were giving the usual amount of visibility on that night. The evidence of these men on the submarine, who, of course, were protecting their own interests, was that they did not see this schooner until they were within 50 yards of the ship.

Up to 1928 the Navy Department had always claimed that a submarine was not subject to the same requirements of navigation and rules of the road as required of ordinary shipping, and a case in the United States court at that time held it was.

Mr. MOUSER. Was that decision of the United States court subsequent to that claim?

Mr. NELSON of Maine. Yes; in 1928.

Mr. MOUSER. If that is true, I have no objection.

Mr. NELSON of Maine. And after that the Navy changed their system of lights.

Mr. MOUSER. I have no objection to this gentleman's going into the admiralty court if there is a decision such as the gentleman refers to.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, as I understand the rule of the admiralty court—and I wish the gentleman to correct me if I am in error—it is that where there is fault on both sides, and the gentleman makes the contention that there was negligence on both sides—

Mr. NELSON of Maine. Oh, I did not make that contention.

Mr. STAFFORD. Assuming then that there is negligence on the part of both the owner of the schooner, because the lights on his ship on the port side were not of sufficient visibility, and assuming that in the operation of the submarine the Government was negligent because their lookout was back maybe 5 or 10 feet, then, where the court finds negligence on the part of both, the rule is that it will assess the damages in favor of that person who sustained the greatest damage.

If that is a correct statement of the law, I am not willing, from my acquaintance with this case, to allow the owner of this schooner to go into the admiralty court and get a return of \$18,000, or whatever the value of his schooner is.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. STAFFORD. Certainly.

Mr. NELSON of Maine. In 1925, as illustrative of the position which the Government takes in these cases, we passed a law called the "public vessels act," allowing claimants in all such cases as this, and evidently intending to cover all outstanding cases at the time, to bring a libel against the United States Government in the United States Court, in all cases arising subsequent to April 6, 1920. If they had simply set that date back three or four months it would have covered this case. This case was in the latter part of November, 1919, and when they fixed the limitations in the law they put it April, 1920. I believe there is no evidence that there was any negligence on the part of this captain as regards the lights.

Mr. STAFFORD. Oh, I think there is more evidence of negligence on the part of the owner than on the part of the operators of the submarine.

Mr. NELSON of Maine. They had an ex parte hearing before a board of naval inquiry, and the owner of this boat was there and the captain says was ready to prove that these were new lights, trimmed and placed and going in perfect shape that night. All he wants is an opportunity to prove it.

Mr. MOUSER. I think the gentleman from Wisconsin would be interested—in view of what he says about the admiralty law, in case there was equal negligence the party being most damaged would be compensated—to have a statement of the decision which the gentleman called to my attention, which would remove the negligence of the captain.

Mr. STAFFORD. I am acquainted with that decision, as I have examined it myself.

Mr. NELSON of Maine. The gentleman will note that the Navy Department in 1924 were adverse to this claim. In their later report, made when Senator WHITE introduced this in the Senate, they do not recommend against it and say it is up to Congress to determine. The policy of Congress, as evidenced by our public vessels act, is to give claimants an opportunity to prove an honest case and not hide behind the statement that the state can do no wrong.

Mr. STAFFORD. Oh, I am not in sympathy with that idea.

Mr. NELSON of Maine. We are not asking for any appropriation. We are simply asking for a citizen who has lost his means of livelihood to come into court and prove his case. If he was negligent or if he has no case, he can not recover. I think the least we can do to an honest citizen of the United States is to give him an opportunity to prove an honest claim.

Mr. STAFFORD. Would the gentleman be agreeable to an amendment providing "under the same terms as provided by the act of March 5, 1925"?

Mr. NELSON of Maine. Yes; I would be very glad to. That is all I want.

Mr. STAFFORD. Because I am influenced by the fact that if this accident had occurred immediately after the date of this enabling act, the owner would have had his day in court.

Mr. NELSON of Maine. That is true.

Mr. STAFFORD. Mr. Speaker, I will offer that amendment and therefore withdraw my objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the claims of Herbert G. Black, owner of the schooner *Oakwoods*, and Clark Coal Co., owner of the cargo of coal on board said schooner, for damages arising out of a collision between such schooner and the United States submarine *R-3* off the southern end of Cape Cod Canal on November 24, 1919, may be sued for by the said owners in the United States District Court for the District of Maine, sitting as a court of admiralty and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the owner of the said schooner *Oakwoods* and the owner of the cargo of coal on board said schooner, or against the owner of the said schooner *Oakwoods* and the owner of the cargo of coal on board said schooner in favor of the United States upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same right of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

Mr. STAFFORD. Mr. Speaker, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 2, line 10, after the word "admiralty," insert the words "under the terms and conditions of the public vessels act of March 3, 1925, chapter 22, United States Code."

The amendment was agreed to.

Mr. STAFFORD. I offer the following amendment, Mr. Speaker.

The Clerk read as follows:

Amendment by Mr. STAFFORD: In line 16, after the words "United States," insert "district attorney."

The amendment was agreed to.

The bill as amended was ordered to be read the third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

## STANDARD DREDGING CO.

The Clerk called the next bill, S. 1274, for the relief of the Standard Dredging Co.

Mr. PATTERSON. Mr. Speaker, reserving the right to object, in looking over the report and the different items charged for I think this bill should be amended to reduce the amount to \$2,000. I note interest charges and other charges are put in to make up the \$2,500-plus, and I believe it would be well for the company, and they could well afford to accept an amendment, to make it \$2,000.

Mr. PITTINGER. Will the gentleman yield?

Mr. PATTERSON. I yield.

Mr. PITTINGER. I wish to say for the information of the gentleman from Alabama [Mr. PATTERSON] that the amount was arrived at by the Secretary of War after full investigation, and I have accepted his figures.

Mr. PATTERSON. I understand that. It is less than they originally submitted.

Mr. BACHMANN. Will the gentleman yield?

Mr. PATTERSON. I yield.

Mr. BACHMANN. How much does the gentleman suggest it should be amended?

Mr. PATTERSON. I suggest it should be amended to make it \$2,000 instead of \$2,531.25.

Mr. BACHMANN. I wish to direct the gentleman's attention to page 2. I notice there is an interest charge of 6 per cent, based on a 300 work-day year, at \$45 a day.

There is an amount of \$200; then there is a profit.

Mr. PATTERSON. A profit of 20 per cent?

Mr. BACHMANN. A profit of 20 per cent based on the \$200.

Mr. PATTERSON. There is a profit. At least, I disagree there with the profit of 20 per cent; and I think, in view of some other items which are not there, they could well afford to accept \$2,000, especially in view of the condition of the Treasury to-day, and in view of the purchasing power of the dollar to-day as compared to what it was some time ago. I may say to my colleague the gentleman from Minnesota that I think the claimant could well afford to accept \$2,000.

Mr. PITTINGER. I suggest that the gentleman offer his amendment.

Mr. BLACK. Mr. Speaker, this suit has been passed on by the Court of Claims. The Court of Claims wanted a greater judgment than the bill calls for. It has been reduced in the bill by \$700. They have had to go to the Court of Claims once and now they have to come to Congress again and Congress has cut the judgment rendered by the Court of Claims.

Mr. BACHMANN. If the Court of Claims rendered a judgment, why was it not paid?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, here is a claimant, rather intelligent of their rights, who came before Congress once and got a private relief act from Congress for the repair of the dredge.

Mr. PATTERSON. Yes; and it was quite a big repair.

Mr. STAFFORD. Now they are seeking demurrage, and there was no negligence on the part of the Government in the operation of this dredge; it was merely the result of an accident suffered by reason of the dredge being caught in the current. I do not think it is a very conscientious claim.

Why did not this dredge company include this item when they were here before and secured relief for the amount of the repair? At that time they made no claim for demurrage.

Mr. PITTINGER. This is a large company.

Mr. STAFFORD. Oh, yes. The Standard Dredging Co., seeing how easy it was to get money out of the Government for the repair of the dredge, thought they would come again and try it.

Mr. BLACK. The biggest dredging company in the world could not get anything out of the Government if the gentleman from Wisconsin was around.

Mr. STAFFORD. I was not around when this came up, unfortunately for the Government.

Mr. PITTINGER. I will accept the amendment.

Mr. BLACK. We will take \$500 off and go to the next bill.

Mr. BACHMANN. No. I think it is a serious claim and I think we are entitled to know the details of the claim. As I have stated heretofore, I would like to know why we should reimburse them for \$7.50 a day for taxes? What kind of taxes are they? Why should the Government pay them \$7.50 a day for taxes? I do not understand why we should pay that.

Mr. BLACK. We can not go into such a detailed itemization of every claim submitted as the gentleman may wish. We have got to have some respect for the Department of War, which investigated this claim. They report that it is a worthy claim.

Mr. PATTERSON. I think if we strike out the profit and make the amount \$2,000 it will be fair.

Mr. BLACK. The Senate committee has investigated it.

Mr. BACHMANN. That does not change the situation. We are entitled to know what the claim is based on.

Mr. BLACK. It is all set forth in the report.

Mr. BACHMANN. Can the gentleman tell me why we should reimburse them for an item of \$7.50 a day for taxes?

Mr. PITTINGER. Mr. Speaker, the operation of this dredge was stopped for a period of 5½ days, and the loss sustained has been worked out by the Secretary of War. It consists of these items that are included in this report.

Mr. PATTERSON. I may say to my distinguished colleague from Minnesota, who is very sincere in working on his bills, that some of these things overlap and do not seem justified.

Mr. PITTINGER. I will accept the amendment.

Mr. BACHMANN. Here is a statement showing interest at 6 per cent, based on a 300-day working year, \$45; profit at 20 per cent of value, based on a 300-day working year, \$150; overhead, including insurance at \$15 per day, \$55; and taxes in 1916, at \$1 per 100, \$7.50.

Mr. PATTERSON. I propose to strike all that out.

Mr. BLACK. I take it the War Department has found that these taxes were paid, the overhead was paid, and the insurance was paid. This is a reimbursement proposition. Of course, the profits were not paid.

Mr. BACHMANN. The main item in this claim is rental charge of \$142.50. I think this is just and they ought to receive this amount; but without some further explanation as to why we should pay interest at 6 per cent and overhead, including interest at \$15 a day and also taxes, I am disposed to oppose that part of the bill. I have no objection to the rental charge amounting to \$142.50.

Mr. PITTINGER. That does not cover all the loss or all the damage.

Mr. BACHMANN. What other claim have they got here?

Mr. PITTINGER. Every item is set forth here.

Mr. BLACK. Interest at 6 per cent means interest at 6 per cent, and taxes means taxes, whether they are State, county, or Federal taxes, and the War Department says that these taxes were paid.

Mr. BACHMANN. As the gentleman from Wisconsin has said, the principal part of this claim has already been paid by legislation, and now they are back a second time, wanting interest and taxes and insurance and profits.

Mr. BLACK. In the absence of any more particular information than the War Department gives us, if the gentleman insists on his position, the sensible thing to do, I presume, is to compromise.

Mr. BACHMANN. What amendment does the gentleman from Alabama suggest?

Mr. PATTERSON. I objected particularly to the profits, and that is the matter that called it to my attention.

Mr. BACHMANN. That is based on 20 per cent of value and amounts to \$150 for five days.

Mr. PATTERSON. I thought they would be entitled to some profits, however, and I proposed to reduce the entire claim to \$2,000. If the gentleman is not satisfied, however—

Mr. PITTINGER. Profit is a legitimate element of damage.

Mr. PATTERSON. But 20 per cent is too high.



Mr. PITTENGER. The War Department found that this was the amount of profit they lost.

Mr. BLACK. That was their contractual profit. Whether it was too high or too low, in the gentleman's opinion, that was the actual loss.

Mr. BACHMANN. In view of the discussion, what amendment does the gentleman think ought to be made here?

Mr. PATTERSON. In view of the discussion, the bill may stand a good deal more cut than I thought, but I wanted to be generous in the matter.

Mr. BACHMANN. Would the gentleman accept an amendment of \$1,500?

Mr. BLACK. I do not know anything about this except what is in the report. No one has been before the committee and I am anxious to get the work of the committee done because I do not want all these matters to go over until the next session. I shall accept any reasonable compromise, but I can not assure the gentleman I shall try to defend the position of the House in conference because the Senate conferees may have important information that would make me think otherwise.

Mr. BACHMANN. Then I shall be compelled to object.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

C. A. CATES

The Clerk called the next bill, H. R. 2294, for the relief of C. A. Cates.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, from my reading of the report this was an unavoidable accident.

Mr. PITTENGER. Oh, no.

Mr. FIESINGER. This is a perfect case of negligence, as I read the report.

Mr. STAFFORD. There is no real, permanent injury here.

Mr. PITTENGER. There is a sacroiliac injury.

Mr. STAFFORD. Where does that appear in the report?

Mr. FIESINGER. On page 2 of the report the doctor makes a statement as of August 13, 1929, and on November 21, 1931, he makes a report of the injury and says the condition is not yet remedied and still persists.

Mr. STAFFORD. Five hundred dollars would be a very liberal amount to be allowed in this case.

Mr. FIESINGER. He had \$163.50 of damage to his truck.

Mr. BACHMANN. He got that. The War Department paid for the damage to his car.

Mr. PITTENGER. No; they offered to pay it.

Mr. FIESINGER. Yes; they offered to pay that, but did not do it, and this man is still suffering from his injury.

Mr. STAFFORD. Where is there any evidence of that?

Mr. FIESINGER. On page 2 of the report the doctor states as of November 21, 1931, "In my opinion this condition might persist through an indefinite time."

Mr. STAFFORD. "Might," from an interested doctor. I have had some acquaintance with doctors testifying as experts in cases, and that does not influence me very much.

Mr. BACHMANN. Let us see if we can straighten this out. There is a claim of \$163.50 for damage to this man's car; and the board of Army officers that investigated the accident recommended that this be paid, and the Secretary of War certified it to the Comptroller General for payment. He is only claiming in this bill for personal injury.

Mr. FIESINGER. I do not so understand it.

Mr. PITTENGER. They offered to pay for the damages to his car, but he would not accept it.

Mr. BACHMANN. Read your bill. He is asking for reimbursement only for personal injuries in this bill. The other part is out of it, and now it is a question of what his injuries are and what he is entitled to by way of compensation for such injuries. I think the man is entitled to some compensation.

Mr. PITTENGER. There is no doubt about that.

Mr. FIESINGER. I am informed he never got the \$163.50.

Mr. BACHMANN. The trouble with us is that we can not find out from the committee's report or from the report of the War Department the extent of this man's injury, except

the two statements made by the doctor about the injury to this man's back.

Mr. PITTENGER. That was the best information we could get.

Mr. BACHMANN. If it is a permanent injury, he is entitled to more money. If it is not a permanent injury, he is not entitled to so much.

Mr. FIESINGER. He suffered for two years after this accident, according to the statement of the doctor.

Mr. BACHMANN. There is no competent statement here from the doctor as to how much time the man was confined in the hospital, for instance.

Mr. FIESINGER. He lost two months from his work.

Mr. BACHMANN. I accept the gentleman's statement as a fact; but I say the trouble is we can not tell how long he was in the hospital or how serious the injury was, and yet the bill has been reduced by the committee from \$5,000 to \$1,500.

Mr. PITTENGER. And that was done because the committee agreed that that was a reasonable amount.

Mr. FIESINGER. The bill was put in for \$5,000 and the committee reduced it to \$1,500.

Mr. STAFFORD. That is altogether too much. What is the gentleman's wish in the matter?

Mr. FIESINGER. We will take a thousand dollars.

The Clerk read the bill, as follows:

*Be it enacted etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500 to C. A. Cates, who sustained injuries when struck by a truck operated by a private soldier then acting in the course of the performance of his duties as an employee of the Government.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Strike out the figures "\$1,500" and insert "\$1,000."

The amendment was agreed to.

Mr. BLANTON. I offer the following amendment.

The Clerk read as follows:

In line 6, after the figures "\$1,000," insert "in full settlement of all claims against the Government of the United States."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Line 6, after the word "injuries," insert "on or about February 5, 1929, at Dayton, Ohio."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

On line 7, after the word "by," where it occurs the first time, strike out the word "a" and insert "an Army."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID A. WRIGHT

Mr. STAFFORD. Mr. Speaker, early in the evening, Calendar No. 551, H. R. 6424, granting jurisdiction to the Court of Claims to hear the case of David A. Wright, I objected to it, after an explanation by the gentleman from Illinois [Mr. CHINDBLOM]. Since then the gentleman has shown me some decisions not included in the report and I have changed my opinion. I ask unanimous consent to go back to that bill.

The SPEAKER. Is there objection to returning to the bill?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. GRISWOLD. Reserving the right to object, this gives the court an order to hear certain evidence based on intent.

Mr. CHINDBLOM. It sets up the ground on which the court held that it did not have jurisdiction and, of course,

it is an exception from the Dent Act. I think it particularizes so much that it in fact makes it harder for the proof to be made. It provides that the evidence must relate to the particular officers who are mentioned in the report and in the previous decision of the Court of Claims. I think this feature improves the bill.

Mr. GRISWOLD. It not only sets aside the statute of limitations but provides that the court shall accept certain evidence based on intent. I object.

#### GOTTLIEB STOCK

The next business on the Private Calendar was the bill (H. R. 6851) to reimburse Gottlieb Stock for losses of real and personal property by fire caused by the negligence of two prohibition agents.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. I am of the opinion that the amount of damages is rather high when you consider the fact that the cause of the fire is somewhat conjectural. It is not certain that it arose by reason of a spark from a bush fire that was started and virtually extinguished more than 18 to 20 hours before.

Mr. MOUSER. If the gentleman will yield, it is a fact that Colonel Woodcock personally made the investigation.

Mr. HERR. Yes. He went out there with me.

Mr. MOUSER. And he found that they were negligent, and on the basis of his investigation suspended these agents as a punishment for negligence, and recommended the compensation.

Mr. STAFFORD. I am yielding my opinion as to the conjectural origin of the fire, but I am basing my present inquiry on the amount of damages.

Mr. HERR. I call the attention of the gentleman to the report of the committee. That matter was gone into very thoroughly by the Committee. Mr. Woodcock was out there and made this investigation personally with me.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HERR. Yes.

Mr. BLANTON. Colonel Woodcock says that the claim is just, but he wants Congress to fix the amount. The committee has cut the claim down from \$6,000 to \$4,000. Will the chairman protect the House in lowering that amount?

Mr. STAFFORD. One moment. Investigator Shirley, as stated by Mr. Woodcock, in his report of January 12, 1932,

It is my opinion from the above facts that the assessed value of the Stock house was unreasonably low, primarily to avoid the payment of taxes, but, from the insurance value, from \$1,800 to \$2,000 would be a reasonable value for the house and furniture.

Mr. BLANTON. If the gentleman would accept \$2,500.

Mr. HERR. God knows I will accept anything that you give me, that you compel me to accept, but it looks as if we had gone into the business here of bargaining, and we might just as well set up three balls. It is easy enough to bargain, when I think the bargaining is fair. I want you to turn to page 4 of that report and read the latter part, in the last paragraph, of the statement by Mr. Woodcock:

I have assured the representatives of these claimants that I believe their general claim to be just, without expressing any opinion as to the amount.

Why hold it up to an opinion of Agent Shirley, who went out on the grounds after the place had been burned down and there was nothing there but ashes, to make his determination.

Mr. BLANTON. He was the only one representing the Government, who knew anything about it.

Mr. HERR. No. After the committee made a request in respect to the amount of stuff that was burned, we then presented to the committee, and they investigated it, an itemized statement of the actual stuff. We were the only people who knew what was burned. Shirley merely went out and looked at it after the house was nothing but a mass of ashes.

Mr. BLANTON. The ones who have reserved the right to object have agreed to allow the bill to pass for \$2,500. Why does not the gentleman accept it?

Mr. HERR. I have to meet my constituents out there, who know this man was burned out, and who has lived in a chicken house ever since waiting for the action of this Congress.

Mr. BLANTON. They will appreciate it lots more if you bring him back \$2,500 than if you bring back nothing.

Mr. MOUSER. Why not give the man a reasonable amount with which to build a house.

Mr. HERR. Suppose for a moment that the gentleman were an innocent bystander and a man built a still within a mile and a half of his place, and an agent came along and set fire to it, and the fire comes through and burns his house, would you want to compromise for an amount which you think is unjust?

Mr. MOUSER. Make it \$2,500.

Mr. HERR. I shall be compelled to take whatever is given me, but I know that we are entitled to \$4,000.

Mr. BACHMANN. Did the man have any insurance?

Mr. HERR. We wrote to the man about his insurance.

Mr. BLACK. The suggestion is made that the amount should be \$2,500. That is equally acceptable to me.

Mr. BACHMANN. Was there any insurance?

Mr. HERR. We have a letter showing that he did not have any insurance. I must take whatever you give me.

Mr. BLANTON. Mr. Speaker, regular order.

Mr. HERR. I will take whatever you give me.

Mr. BLANTON. With the understanding that has been had with the gentleman from New York [Mr. BLACK] as to reducing the bill to \$2,500, I shall not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of \$6,573.25 to Gottlieb Stock as compensation for the total destruction of his home and personal property therein and trees and vines on the premises and other property during a fire set by the negligence of two prohibition agents in the employ of the Federal Bureau of Prohibition.

With the following committee amendment:

Page 1, line 6, strike out "\$6,573.25" and insert in lieu thereof "\$4,000."

Mr. BLACK. Mr. Speaker, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. BLACK to the committee amendment: Page 1, line 6, strike out "\$4,000" and insert in lieu thereof "\$2,500."

The substitute amendment to the committee amendment was agreed to.

The Clerk read as follows:

Further committee amendment: Page 2, line 2, insert the following: "Provided, That no part of the amount appropriated in this act, in excess of 10 per centum thereof, shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per centum thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

#### BOSTON STORE CO.

The Clerk read the next bill, H. R. 7198, for the relief of the Boston Store Co., a corporation, Chicago, Ill.

Mr. MOUSER. Reserving the right to object, I will not object to a reasonable amount, but just how is that damage arrived at? I have read the report.

Mr. SABATH. That has been recommended and paid twice by the Government, and, due to technicalities, it still remains due. This has been recommended twice, and the



Secretary of the Treasury recommends it, and through some technicalities the check has been sent back and forth twice or three times. This is for merchandise paid for and not received in order as it should have been.

Mr. MOUSER. Who determines as to the condition of the merchandise, whether it was rusty or old or not?

Mr. SABATH. The Government inspectors and everyone concerned with it came to the conclusion that that was the correct amount.

Mr. MOUSER. And that was agreed upon?

Mr. SABATH. Yes; and the report from the Secretary of War is here. In fact, it has been paid twice and the checks were returned.

Mr. MOUSER. The Secretary of War said the goods were in damaged condition?

Mr. BLANTON. Mr. Speaker, the regular order. It is 10.30.

Mr. MOUSER. I do not want to object to this claim.

Mr. STAFFORD. Well, reserving the right to object, I do not understand the paragraph before the last in the letter of the Secretary of War, which says the amount has been heretofore allowed.

Mr. SABATH. They paid it and returned the money and asked for a voucher and it was returned again, and the amount is due.

Mr. PITTENGER. I will say to the gentleman from Wisconsin that this is certainly a fair bill.

Mr. STAFFORD. The money has not been paid heretofore?

Mr. PITTENGER. No.

Mr. STAFFORD. I will withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$6,246 to the Boston Store Co., a corporation of Chicago, Ill., such sum representing a loss incurred because of misrepresentation in the purchase of coats from the quartermaster supply officer of the surplus property branch at Chicago, Ill., August 16, 1921, which claim had at one time been allowed and paid, but subsequently, because of some technicality, now cured, returned to the Treasury upon request.

Mr. BLANTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON: At the end of the bill strike out the period, insert a colon, and add the following: "in full settlement of all claims against the Government of the United States."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I also offer, at the end of the bill the usual attorney's fee clause as an amendment.

The Clerk read as follows:

At the end of the bill insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorneys or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

#### ADJOURNMENT

Mr. BLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Saturday, January 28, 1933, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, January 28, 1933, as reported to the floor leader:

##### WAYS AND MEANS (10 a. m.)

Continue hearings on depreciated currency.

##### MILITARY AFFAIRS (10.30 a. m.)

Hearings before subcommittee on private bills.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

891. A communication from the President of the United States, transmitting an amendment of the estimate of appropriation for the legislative establishment for public printing and binding, Government Printing Office, contained in the Budget for the fiscal year 1934, page 18, increasing the total amount from \$2,500,000 to \$2,750,000 (H. Doc. No. 532); to the Committee on Appropriations and ordered to be printed.

892. A communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the legislative establishment, House of Representatives, in the sum of \$6,150 (H. Doc. No. 533); to the Committee on Appropriations and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WOODRUM: Committee on Appropriations. H. R. 14458. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes; without amendment (Rept. No. 1922). Referred to the Committee of the Whole House on the state of the Union.

Mr. BYRNS: Committee on Appropriations. H. R. 14436. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes; without amendment (Rept. No. 1923). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILBERT: Committee on the District of Columbia. H. R. 12678. A bill to license and register master electricians, master fixture hangers, journeymen electricians, and journeymen fixture hangers engaged in the business of installing, repairing, or maintaining electric wiring, fixtures, apparatus, and appliances for light, heat, or power in the District of Columbia, and for other purposes; with amendment (Rept. No. 1924). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. House Joint Resolution 565. A joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies in 1933; without amendment (Rept. No. 1925). Referred to the Committee of the Whole House on the state of the Union.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. House Joint Resolution 577. A joint resolution to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States, to authorize appropriations to accomplish that result, and for other purposes; without amendment (Rept. No. 1926). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMS of Texas: Committee on the Territories. S. 4374. An act to empower the superintendent of the Hawaii National Park to perform the functions now performed by the United States commissioner for the said

national park, and for other purposes; with amendment (Rept. No. 1927). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 14252. A bill to extend the time during which certain provisions of the act of February 27, 1932, relating to improving the facilities of the Federal reserve system to meet the needs of member banks in exceptional circumstances, shall be effective; without amendment (Rept. No. 1928). Referred to the House Calendar.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 1769. A bill for the relief of Joseph Watkins; with an amendment (Rept. No. 1929). Referred to the Committee of the Whole House.

Mr. BRUMM: Committee on Claims. H. R. 2462. A bill for the relief of Thelma Lucy Rounds; without amendment (Rept. No. 1930). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. H. R. 12436. A bill for the relief of Giuglio Zarella; without amendment (Rept. No. 1931). Referred to the Committee of the Whole House.

Mr. SMITH of Virginia: Committee on Claims. S. 465. An act for the relief of William H. Holmes; without amendment (Rept. No. 1932). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 3477. An act for the relief of the Playa de Flor Land & Improvement Co.; without amendment (Rept. No. 1933). Referred to the Committee of the Whole House.

Mr. THOMASON: Committee on Military Affairs. S. J. Res. 48. A joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army; without amendment (Rept. No. 1934). Referred to the Committee of the Whole House on the state of the Union.

Mr. LOOFBOUROW: Committee on Indian Affairs. S. 4578. An act conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouri Tribes of Indians to compensation on a basis of guardian and ward; with amendment (Rept. No. 1935). Referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 14442) for the relief of Harvey Mincher, and the same was referred to the Committee on Military Affairs.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 14457) to amend the act of March 2, 1929 (45 Stat. 1512); to the Committee on Immigration and Naturalization.

By Mr. WOODRUM: A bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. DAVIS of Pennsylvania: A bill (H. R. 14459) to impose a tax on each sale in the United States of foreign securities; to the Committee on Ways and Means.

By Mr. KEMP: A bill (H. R. 14460) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM: A bill (H. R. 14461) to provide for placing the jurisdiction, custody, and control of the Wash-

ington City Post Office in the Secretary of the Treasury; to the Committee on Public Buildings and Grounds.

By Mr. HOGG of West Virginia: A bill (H. R. 14462) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, Tyler County, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. GILCHRIST: A bill (H. R. 14463) to convey to Iowa, Wisconsin, and Illinois the beds and submerged lands of all nonnavigable meandered bodies of water within the borders thereof, respectively; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON of Georgia: A bill (H. R. 14464) to authorize the Secretary of the Navy to enter into contract with the Annapolis Metropolitan Sewerage Commission for the disposal of sewage of the United States Naval Academy, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 14465) to amend the act of June 10, 1926, entitled "An act to provide for the equalization of promotion of officers of the Staff Corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., title 34, Supp. VI, sec. 348); to the Committee on Naval Affairs.

By Mr. HARE: Joint resolution (H. J. Res. 578) to prohibit the restriction of civil-service appointments to residents within areas less than a State, and for other purposes; to the Committee on the Civil Service.

By Mr. TREADWAY: Joint resolution (H. J. Res. 579) authorizing free postage on mail matter sent by Grace Coolidge; to the Committee on the Post Office and Post Roads.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DARROW (by request): A bill (H. R. 14466) granting a pension to D. Marion Geis; to the Committee on Pensions.

By Mr. DE PRIEST: A bill (H. R. 14467) granting a pension to Mary T. Gunn; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 14468) granting a pension to Anna McNamara; to the Committee on Pensions.

By Mr. HESS: A bill (H. R. 14469) granting a pension to Mary Yeager; to the Committee on Pensions.

By Mr. HERR: A bill (H. R. 14470) for the relief of Sarah E. Thompson; to the Committee on Pensions.

By Mr. HOUSTON of Delaware: A bill (H. R. 14471) granting an increase of pension to Eliza A. Carey; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Missouri: A bill (H. R. 14472) for the relief of Margaret E. Gordon; to the Committee on Claims.

By Mr. PRATT: A bill (H. R. 14473) granting a pension to Lottie Smith; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 14474) granting a pension to Mary M. Thomas; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 14475) granting an increase of pension to Kate Smith; to the Committee on Invalid Pensions.

By Mr. TARVER: A bill (H. R. 14476) for the relief of Fred Epps; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9953. By Mr. ANDREW of Massachusetts: Telegram from Hon. Arthur Guy, State commissioner of banks, Boston, Mass., protesting against publication of loans made by Reconstruction Finance Corporation as called for by the Howard resolution; to the Committee on Banking and Currency.

9954. By Mr. BOEHNE: Petition of North Side Business Men's Association, of Evansville, Ind., protesting against cancellation of foreign debts to the United States; to the Committee on Foreign Affairs.



9955. By Mr. BLOOM: Petition of the Senate of the State of New York, urging the enactment of Senate bill 5336; to the Committee on Banking and Currency.

9956. By Mr. CROWTHER: Petition of citizens of the thirtieth congressional district of New York, urging passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9957. By Mr. CARTER of California: Petition of E. C. Thomas, Mary E. Thomas, J. A. Butterfield, and 25 other residents of Oakland, Calif., urging the passage of the stop-alien representative amendment to the Constitution; to the Committee on the Judiciary.

9958. By Mr. CROWTHER: Petition of citizens of Schenectady, N. Y., opposing any reduction in the enlisted strength of the United States Marine Corps; to the Committee on Appropriations.

9959. By Mr. GARBER: Petition urging support of the railway pension bills, S. 4646 and H. R. 9891; to the Committee on Interstate and Foreign Commerce.

9960. Also, petition of the Mount Vernon National Farm Loan Association, Alva, Okla., urging the enactment of the allotment plan or some plan that will restore the price of farm products; the reduction of interest rates on farm mortgages; the retention of the cooperative features and farmer control, in the event the Federal land-bank system is amended; and the removal of the Federal land-bank system from politics; to the Committee on Banking and Currency.

9961. Also, petition of the board of directors of the Cincinnati (Ohio) Chamber of Commerce, indorsing House bill 11642, relating to the policy of rate making, the recapture clause, and the valuation section of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

9962. Also, petition of J. W. Cavin, proprietor Thornwood Farm, Mutual, and Irl R. Gaston, Chester, Okla., urging the imperative necessity of enacting emergency relief measures to save the homes on the farm; to the Committee on Banking and Currency.

9963. By Mr. HANCOCK of New York: Petition of Mary E. Posthill and other residents of Syracuse, N. Y., favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

9964. By Mr. GARBER: Petition urging support of the railway pension bills, Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

9965. Also, petition of the Ministerial Alliance of Grant County, of the State of Oklahoma, urging continued opposition to modification or repeal of the prohibition laws; to the Committee on the Judiciary.

9966. Also, petition of the Colorado Springs Chamber of Commerce, Colorado Springs, Colo., urging enactment of House bill 11642; to the Committee on Interstate and Foreign Commerce.

9967. Also, petition of a union temperance meeting of the five churches of Beaver, Okla., urging opposition to legislation intended to nullify, weaken, or repeal the eighteenth amendment and the Volstead Act, and urging support of adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9968. By Mr. GIBSON: Petition of the Woman's Christian Temperance Union of Newport, Vt., opposing repeal of the eighteenth amendment; to the Committee on the Judiciary.

9969. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., protesting against the legalization of beer, and favoring the upholding of the eighteenth amendment; to the Committee on the Judiciary.

9970. By Mr. MAPES: Petition of Dan Henry and 37 other residents of Grand Rapids, Mich., favoring the decentralization of wealth by revaluation of the gold ounce upward at least 100 per cent, issuance of new money to reduce the national debt instead of by the issuance of interest-bearing bonds, including immediate payment of the veterans' adjusted compensation in that manner, etc.; to the Committee on Ways and Means.

9971. By Mr. MEAD: Petition of Down Town Post, No. 64, American Legion, Buffalo, N. Y., opposing elimination of citizens' military training camps next year or any reduction in Federal appropriations for same; to the Committee on Appropriations.

9972. By Mr. MILLARD (by request): Petition signed by Clyde Blaylock and other residents in Westchester County, urging support of the proposal to revalue the gold ounce; to the Committee on Coinage, Weights, and Measures.

9973. By Mr. RUDD: Petition of Remington, Meek, Twitchell & Till, New York City, referring to the pending bankruptcy amendatory bill; to the Committee on the Judiciary.

9974. By the SPEAKER: Petition of E. M. Baker and others, urging Congress to give the President authority to lay embargoes on the shipment of arms to areas where armed conflict exists or is threatened; to the Committee on Foreign Affairs.

9975. By Mr. SPENCE: Petition of Mr. and Mrs. M. Schlosser, of Fort Thomas; Phil E. Steffen and others, of Covington; W. H. Ueberschlag and others, of Bellevue; and John F. McCabe and others, of Newport, Ky., urging revaluation of gold ounce, correction of financial abuses, and abuses growing out of mass production; to the Committee on Banking and Currency.

9976. Also, petition of Harriet E. Key and others, of Dayton; Bernard A. Klumper and others, of Covington; Francis H. Schweer and others, of Newport; and Frank Rickling and wife, of Bellevue, Ky., concerning the revaluation of gold ounce; to the Committee on Banking and Currency.

9977. By Mr. STALKER: Petition of Clayton I. Swayze and 250 other citizens of Ithaca, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9978. Also, petition of citizens of Painted Post, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9979. Also, petition of Annie N. Sloane and 50 other citizens of Montour Falls, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9980. Also, petition of Minnie L. Young, president Woman's Christian Temperance Union, and 25 other members of West Danby, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9981. Also, petition of Stella Hanford and 25 other citizens of Dryden, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9982. By Mr. SWICK: Petition of Mrs. T. A. Preston, president, Mrs. Merle D. Allen, secretary, and members of the Frances Willard Woman's Christian Temperance Union, Union Township, New Castle, Lawrence County, Pa., urging the establishment of a Federal motion-picture commission for the purpose of regulating trade and distribution of motion pictures; to the Committee on Interstate and Foreign Commerce.

9983. Also, petition of Ella Rose, president; Mrs. J. L. Brown, secretary; and members of the Woman's Christian Temperance Union of New Wilmington, Lawrence County, Pa., urging the establishment of a Federal motion-picture commission for the purpose of regulating the trade and distribution of motion pictures; to the Committee on Interstate and Foreign Commerce.

9984. By Mr. THURSTON: Petition signed by Mrs. George Myers and 42 other citizens of Clarke County, Iowa, protesting against the modification or repeal of existing Federal laws in relation to prohibition; to the Committee on the Judiciary.

9985. Also, petition signed by Kate Bates and 492 other citizens of Lucas County, Iowa, protesting against the modification or repeal of existing Federal laws in relation to prohibition; to the Committee on the Judiciary.